

**COLORADO COUNTY GROUNDWATER
CONSERVATION DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023



**8 WEST WAY COURT
LAKE JACKSON, TEXAS 77566**

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COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

*Annual Financial Report
For the Year Ended December 31, 2023*

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FINANCIAL SECTION

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Independent Auditor's Report

To the Board of Directors
Colorado County Groundwater Conservation District
Columbus, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and general fund of the Colorado County Groundwater Conservation District (the "District"), as of and for the year ended December 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the District, 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 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Bay City, TX 77414
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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.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

KM&L, LLC

Lake Jackson, Texas
June 20, 2024

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COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Management's Discussion and Analysis For the Year Ended December 31, 2023

As management of the Colorado County Groundwater Conservation District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023. We encourage readers to consider this information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$ 975,921 (net position). Of this amount, \$ 894,947 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens within the District's fund designation.
- The District's total net position increased by \$ 48,324.
- As of the close of the current fiscal year, the District's general fund reported an ending fund balance of \$ 883,680. 49.08% of this total amount, \$ 433,680 (unassigned fund balance), is available for use within the District's fund designation. The remainder of fund balance, \$ 450,000 has been assigned for specific uses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the combination of assets and deferred outflows of resources and the combination of liabilities and deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and service revenue. The main initiative encompassed in the *governmental activities* of the District is the management and protection of groundwater resources.

The government-wide financial statements can be found on pages 18 through 19 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- **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 current sources and uses 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 general fund balance sheet and the general fund statement of revenues, expenditures, and changes in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The fund financial statements can be found on pages 20 through 23 of this report.

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 26 through 37 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension information and budget and actual schedule for the General Fund. Required supplementary information can be found on pages 40 through 41 of this report.

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 975,921 as of December 31, 2023.

A portion of the District's net position of \$ 80,974 (8.30%) reflects its investments in capital assets (e.g., land, buildings, equipment and right to use leased assets), less any debt used to acquire those assets that is still outstanding. The District uses capital assets to provide service to citizens; consequently these assets are not available for future spending.

THE DISTRICT'S NET POSITION

	<u>2023</u>	<u>2022</u>
Assets:		
Current and other assets	\$ 1,147,903	\$ 919,283
Capital assets	<u>82,616</u>	<u>87,766</u>
Total assets	<u>1,230,519</u>	<u>1,007,049</u>
Liabilities:		
Current and other liabilities	9,307	12,588
Long-term liabilities	<u>1,642</u>	<u>5,835</u>
Total liabilities	<u>10,949</u>	<u>18,423</u>
Total deferred inflows of resources	<u>243,649</u>	<u>61,029</u>
Net Position:		
Net investment in capital assets	80,974	84,760
Unrestricted	<u>894,947</u>	<u>842,837</u>
Total net position	<u>\$ 975,921</u>	<u>\$ 927,597</u>

The remaining balance of unrestricted net position of \$ 894,947 (91.70%) may be used to meet the government's ongoing obligations to citizens and creditors. As of December 31, 2023, the District is able to report positive balances in both categories of net position for the government as a whole.

Analysis of the District's Operations. Overall, the District had an increase in net position of \$ 48,324.

Total revenues for governmental activities were \$ 290,086. Major components of revenues were charges for services of \$ 2,350 (0.81%), property taxes of \$ 246,465 (84.98%), investment income of \$ 38,732 (13.35%) and miscellaneous income of \$ 2,489 (0.86%).

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Management's Discussion and Analysis

For the Year Ended December 31, 2023

The following table provides a summary of the District's operations for the years ended December 31, 2023 and 2022.

THE DISTRICT'S CHANGE IN NET POSITION

	<u>2023</u>	<u>2022</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 2,350	\$ 1,175
General Revenues:		
Property taxes	246,465	252,535
Investment income	38,732	6,963
Miscellaneous	<u>2,489</u>	<u>330</u>
Total revenues	<u>290,036</u>	<u>261,003</u>
Expenses:		
Groundwater conservation	241,591	225,440
Interest and fiscal charges	<u>121</u>	<u>191</u>
Total expenses	<u>241,712</u>	<u>225,631</u>
Change in net position	48,324	35,372
Net position - beginning	<u>927,597</u>	<u>892,225</u>
Net position - ending	<u>\$ 975,921</u>	<u>\$ 927,597</u>

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District is a single purpose government and its only governmental fund is general fund.

As of the end of the current fiscal year, the District's general fund reported a fund balance of \$ 883,680. An increase of \$ 53,304, due primarily to increased investment income.

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Management's Discussion and Analysis
For the Year Ended December 31, 2023

General Fund Budgetary Highlights. The District enacted a formal budget for the year ended December 31, 2023. Budgeted expenditures exceeded actual expenditures by \$ 8,765 and actual revenues exceeded budgeted revenue by \$ 29,289. The budget versus actual variance in expenditures was primarily related to overbudgeting expenses related to administrative and personnel costs as well as the increase in the investment income related to change in interest rates.

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2023, amounts to \$ 82,616 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, equipment and right to use leased assets.

Capital Assets at Year-end Net of Accumulated Depreciation

	<u>2023</u>	<u>2022</u>
Land	\$ 22,115	\$ 22,115
Buildings	55,221	58,005
Equipment	3,757	4,640
Right to use leased assets	<u>1,523</u>	<u>3,006</u>
Total	<u>\$ 82,616</u>	<u>\$ 87,766</u>

Additional information on the District's capital assets can be found in Note 4 on page 36 of this report.

Debt Administration. At the end of December 31, 2023, the District had total long-term debt of \$ 1,642. The District's long-term debt included lease liability.

The District's Long-Term Debt

	<u>2023</u>	<u>2022</u>
Lease liability	\$ 1,642	\$ 3,081
Compensated absences	<u>-</u>	<u>2,754</u>
Total	<u>\$ 1,642</u>	<u>\$ 5,835</u>

Additional information on the District's debt administration can be found in Note 6 on page 37.

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Economic Factors and Next Year's Budgets and Rates

The annual budget is the means by which District Board of Directors set the direction of the District, and allocate its resources.

In considering the budget for the year ended December 31, 2024, the District's Board of Directors considered the following factors:

- Estimated property tax revenues of \$ 249,160
- Estimated investment income of \$ 30,000
- Personnel of \$ 189,980
- Conservation of \$ 2,550
- Professional fees of \$ 27,820
- Administrative of \$ 21,170
- Facilities of \$ 8,360

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Colorado County Groundwater Conservation District, 910 Milam Street, Columbus, TX 78934, or by calling (979) 732-9300.

BASIC FINANCIAL STATEMENTS

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Statement of Net Position

December 31, 2023

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 483,364
Investments	441,520
Receivables (net of allowance for uncollectible accounts)	
Property taxes	195,001
Due from other governments	24,614
Accrued interest	3,404
Capital Assets:	
Land	22,115
Buildings, net	55,221
Equipment, net	3,757
Right to use leased assets, net	<u>1,523</u>
Total assets	<u>1,230,519</u>
Liabilities:	
Accounts payable	9,307
Noncurrent Liabilities:	
Due within one year	1,513
Due in more than one year:	
Other long-term liabilities	<u>129</u>
Total liabilities	<u>10,949</u>
Deferred Inflows of Resources:	
Deferred inflows of resources	<u>243,649</u>
Total deferred inflows of resources	<u>243,649</u>
Net Position:	
Net investment in capital assets	80,974
Unrestricted	<u>894,947</u>
Total net position	<u>\$ 975,921</u>

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

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Statement of Activities

For the Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Change In Net Position Total Governmental Activities</u>
Governmental Activities:			
Groundwater conservation	\$ 241,591	\$ 2,350	\$(239,241)
Interest and fiscal charges	<u>121</u>	<u>-</u>	<u>(121)</u>
Total governmental activities	<u>\$ 241,712</u>	<u>\$ 2,350</u>	<u>\$(239,362)</u>
General Revenues:			
Property taxes			246,465
Investment income			38,732
Miscellaneous			<u>2,489</u>
Total general revenues			<u>287,686</u>
Change in net position			48,324
Net position - beginning			<u>927,597</u>
Net position - ending			<u>\$ 975,921</u>

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

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Balance Sheet - General Fund

December 31, 2023

	General Fund
Assets:	
Cash and cash equivalents	\$ 483,364
Investments	441,520
Receivables (net of allowance for uncollectible accounts):	
Property taxes	195,001
Due from other governments	24,614
Accrued interest	<u>3,404</u>
Total assets	<u>\$ 1,147,903</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance:	
Liabilities:	
Accounts payable	\$ <u>9,307</u>
Total liabilities	<u>9,307</u>
Deferred Inflows of Resources:	
Deferred inflows of resources - property taxes	<u>254,916</u>
Total deferred inflows of resources	<u>254,916</u>
Fund Balance:	
Assigned	450,000
Unassigned	<u>433,680</u>
Total fund balance	<u>883,680</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,147,903</u>

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

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

*Reconciliation of the General Fund Balance Sheet to the Governmental Activities Statement of Net Position
December 31, 2023*

Total fund balance - general fund balance sheet	\$ 883,680
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include \$ 133,678 in assets less \$ 51,062 in accumulated depreciation/amortization.	82,616
Property taxes receivable unavailable to pay for current period expenditures are deferred inflows of resources in the funds. Deferred inflows of resources (property tax) amounted to \$ 11,267.	11,267
Payables for lease liabilities which are not due in the current period are not reported in the funds, but increase long-term liabilities in the government-wide statement of net position.	(<u>1,642</u>)
Net position of governmental activities - statement of net position.	\$ <u><u>975,921</u></u>

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

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund
For the Year Ended December 31, 2023

	General Fund
Revenues:	
Property taxes	\$ 248,428
Licenses and permits	2,350
Investment income	38,732
Miscellaneous	<u>2,489</u>
Total revenues	<u>291,999</u>
Expenditures:	
Current:	
Administrative	19,026
Facilities	7,670
Personnel	179,959
Professional fees	30,480
Debt Service:	
Principal	1,439
Interest and fiscal charges	<u>121</u>
Total expenditures	<u>238,695</u>
Net change in fund balance	53,304
Fund balance - beginning	<u>830,376</u>
Fund balance - ending	<u>\$ 883,680</u>

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

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of General Fund to Governmental Activities Statement of Activities
For the Year Ended December 31, 2023*

Net change in fund balance - general fund	\$ 53,304
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. The amount of depreciation/amortization in the current period of \$5,150.	(5,150)
Property tax revenues in the governmental activities statement of activities do not provide current financial resources and are not reported as revenues in the funds. The change in deferred property tax revenues amounted to \$ 1,963.	(1,963)
Payments of principal for lease liabilities are reported in the funds as an expenditure only when paid, but decreases in long-term liabilities in the government-wide statement of net position. This is the current principal payment for lease liabilities.	1,439
Expenditures reported in the statement of activities are expenses once economic performance has occurred. In the governmental funds, expenditures are recognized when they are paid. This is the current change in the current year.	(2,060)
Compensated absences are reported in the funds as an expenditure only when paid, but increase long-term liabilities in the government-wide statement of activities. This is the current change in the liability for accrued compensated absences.	<u>2,754</u>
Change in net position of governmental activities	<u>\$ 48,324</u>

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

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COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

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COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Colorado County Groundwater Conservation District (the "District") was created in accordance with Chapter 36 of the Texas Water Code, under the authority of Section 59, Article XVI of the Texas Constitution, pursuant to an enabling act of the 80th Texas Legislature (House Bill 4032) effective June 15, 2007, and confirmed by the electorate of Colorado County, Texas on November 6, 2007. The purpose of the District is to provide for the conservation, preservation and management of groundwater and the related issues of waste.

The accounting and reporting policies of the District relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The District is governed by seven directors elected by the voters of Colorado County for four year staggered terms. Four directors are elected by the voters of the County Commissioner's precinct in which they reside and three directors are elected at-large by the voters of the District. The Board of Directors has the authority to make decisions, appoint administrators and managers; significantly influence operations; and has the primary accountability for fiscal matters. Therefore, the District is not included in any other governmental "reporting entity" as defined by GASB in its Statement No. 61, "*The Financial Reporting Entity*." The District is a single-purpose with only fund type and no component units included within the reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the activities of the primary government. The District maintains one fund (General Fund); therefore, there are no interfund activities. The *governmental activities* are supported by taxes and intergovernmental revenues. The District has no *business-type activities* that 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 are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements. The General Fund is currently the only fund maintained by the District.

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Revenues from property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Revenue from investments is based upon fair value. 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. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and the unrestricted resources as needed.

The District reports the following major governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. The major revenue source is property taxes. Expenditures include all costs associated with the daily operations of the District. The District has only one fund, the general fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Data

The budget law of the State of Texas provides that amounts budgeted for current expenditures from the various funds of the District shall not exceed the balances in the funds, plus the anticipated revenues for the current year. The legal level of budgetary control is at the functional level of each fund. Any expenditures, which alter the total budgeted amounts of a fund, must be approved by the Board of Directors, and the budget amended. Budgets are adopted on a basis consistent with generally accepted accounting principles.

During the year ended December 31, 2023, the District Board of Directors enacted a formal budget.

Cash and Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the District. In accordance with GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are stated at fair value. Current investments have an original maturity of greater than three month but less than one year at the time of purchase. Noncurrent investments have an original maturity of greater than one year at the time of purchase.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of January 1 for all real and business property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

The appraisal and recording of all property within the District is the responsibility of the Colorado County Appraisal District (CCAD), an independent governmental unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. CCAD is required by law to assess property at 100% of its appraised value. Real property must be reappraised at least every two years. Under certain circumstances taxpayers and taxing units, including the District, may challenge orders of the CCAD Review Board through various appeals and, if necessary, legal action.

The assessed value of the property tax roll on October 1, 2023, upon which the levy for the 2024 year was based, was \$ 3,219,810,629. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to penalty and interest charges plus 20% delinquent collection fees for attorney costs

The tax rates assessed for the year ended December 31, 2023, to finance general fund operations was \$ 0.00750 per \$ 100 valuation.

As of December 31, 2023, the District had collected \$ 59,915 of the 2023 levy (levied October 1, 2023), which is deferred and set aside for 2024 operations. Additionally, property taxes receivable of \$ 183,734 and \$ 15,057 from the 2023 levy and prior year levies, respectively, are recorded as deferred inflows of resources, net of allowance for uncollectible taxes of \$ 3,790. Allowances for uncollectible taxes are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities columns in the government-wide financial statement. The District has adopted the accounting policy of not capitalizing "infrastructure" assets (drainage systems and similar assets that are immovable and of value only to the District). All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at acquisition value. Repairs and maintenance are recorded as expenditures. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Assets capitalized have an original cost of \$ 5,000 or more and over one year of useful life. Depreciation/amortization, which is an allocation of cost over an asset's estimated service life, has been determined using the straight-line method over the following years:

Buildings	30
Equipment	7
Vehicles	5
Right to use leased assets	3

Deferred Outflows and Inflows of Resources

Guidance for deferred outflows of resources and deferred inflows of resources is provided by GASB No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Further, GASB No. 65, "Items Previously Reported as Assets and Liabilities", had an objective to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

Leases

The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and a right to use leased asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$ 5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Leases - Continued

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Fund Balance

The Board of Directors meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. The District's Unassigned General Fund Balance is maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned General Fund Balance may only be appropriated by resolution of the Board of Directors. Fund Balance of the District may be committed for a specific source by formal action of the Board of Directors. Amendments or modifications of the committed fund balance must also be approved by formal action by the Board of Directors. When it is appropriate for fund balance to be assigned, the Board of Directors has delegated authority to the general manager or the Chairman of the Board of Directors. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, followed by assigned fund balance, and lastly, unassigned fund balance.

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a resolution by the government's highest level of decision-making authority.

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balance - Continued

Assigned Fund Balance - Amounts that are constrained by the District's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the general manager. With the exception of the General Fund, this is the residual fund balance classification for all government funds with positive balances.

Unassigned Fund Balance - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

As of December 31, 2023, assigned fund balances include \$ 350,000 for professional fees and \$ 100,000 for capital outlay. Unassigned fund balance includes \$ 433,680 in the general fund.

Net Position

Net position represents the differences between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Restricted net position, as presented in the government-wide statement of net position, are reported when constraints placed on the use of net assets are either 1) externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments), or 2) imposed by law through constitutional provisions or enabling legislation.

New Pronouncements

GASB issues statements on a routine basis with the intent to provide authoritative guidance on the preparation of financial statements and to improve governmental accounting and financial reporting of governmental entities. Management reviews these statements to ensure that preparation of its financial statements are in conformity with generally accepted accounting principles and to anticipate changes in those requirements. The following recent GASB Statements reflect the action and consideration of management regarding these requirements:

GASB Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" was issued in March 2020. The statement was implemented and did not have a material effect on the financial statement of the District. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96 "Subscription-Based Information Technology Arrangements" was issued in May 2020. The statement was implemented and did not have a material effect on the financial statement of the District. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements - Continued

GASB Statement No. 99 “Omnibus 2022” was issued in April 2022. The statement was implemented and did not have a material effect on the financial statement of the District. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 100 “Accounting Changes and Error Corrections - an amendment to GASB Statement No. 62” was issued in June 2022. The management of the District does not expect the implementation of this standard to have a material effect on the financial statements of the District. The requirements of this statement are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 101 “Compensated Absences” was issued in June 2022. The management of the District does not expect the implementation of this standard to have a material effect on the financial statements of the District. The requirements of this statement are effective for reporting periods beginning after December 15, 2023.

NOTE 2 - DEPOSITS AND INVESTMENTS

The District classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose a temporary investment is one that, when purchased had a maturity date of three months or less. Cash and temporary investments, current investments and investments as reported on the government-wide statement of net position at December 31, 2023 are as follows:

	<u>Total</u>
Cash and Cash Equivalents:	
Financial Institution Deposits:	
Demand deposits	\$ 54,419
Local Government Investment Pool:	
Texpool	177,213
Texpool Prime	<u>251,732</u>
Total cash and cash equivalents	<u>483,364</u>
Investments:	
Investments Held by Financial Institutions:	
Certificates of deposit	<u>441,520</u>
Total investments	<u>441,520</u>
Total cash and cash equivalents and investments	<u>\$ 924,884</u>

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

Deposits: All deposits with financial institutions must be collateralized in an amount equal to 100 percent of uninsured balances. At year-end, the carrying amount of the District's deposits was \$ 495,939 while the financial institution balances totaled \$ 496,314. Of the financial institution balances, \$ 496,314 was covered by federal deposit insurance.

Investments: Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the District to invest its funds under written investment policy (the "investment policy") that primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. This investment policy defines what constitutes the legal list of investments allowed under the policies, which excludes certain instruments allowed under chapter 2256 of the Texas Government Code.

The District's deposits and investments are invested pursuant to the investment policy, which is approved by the Board of Directors. The investment policy includes lists of authorized investment instruments and allowable stated maturity of individual investments. In addition it includes an "Investment Strategy Statement" that specifically addresses each investment option and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification and yield.

Additionally, the soundness of financial institutions (including broker/dealers) in which the District will deposit funds is addressed. The District's investment policy and types of investments are governed by the Public Funds Investment Act (PFIA) and the Texas Commission on Environmental Quality. The District's management believes it complied with the requirements of the PFIA and the District's investment policy.

The District's Investment Officer submits an investment report each quarter to the Board of Directors. The report details the investment positions of the District and the compliance of the investment portfolio's as they relate to both the adopted investment strategy statements and Texas State law.

The District invests in Texpool and Texpool Prime to provide its liquidity needs. Texpool and Texpool Prime are local government investment pools that were established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. Texpool and Texpool Prime are 2(a)7 like funds, meaning that they are structured similar to a money market mutual funds. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$ 1.00, although this cannot be fully guaranteed. Texpool and Texpool Prime are rated AAA and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit.

At December 31, 2023 Texpool and Texpool Prime had a weighted average maturity of 38 and 44 days, respectively. Although Texpool and Texpool Prime portfolios had a weighted average maturity of 38 and 44 days, respectively, the District considers holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

As of December 31, 2023, the District had the following investments:

<u>Investment Type</u>	<u>Interest Rate</u>	<u>Fair Value</u>	<u>Weighted Avg. Maturity (Days)</u>
Texpool	Varies	\$ 177,213	38
Texpool Prime	Varies	251,732	44
Certificates of deposit	Varies	<u>441,520</u>	129
		<u>\$ 870,465</u>	86

Credit Risk - As of December 31, 2023, the local government investment pool (which represents 49.28% of the investment portfolio) is rated AAAM by Standard and Poor's or AAA by Fitch and the certificates of deposit (which represent 50.72% of the investment portfolio) are fully covered by the FDIC. The District is not exposed to credit risk.

Interest rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities of the general fund not exceed 180 days. Quality short-to-medium term securities should be purchased, which complement each other in a structured manner that minimizes risk and meets the District's cash flow requirements.

Fair Value - The District categorizes its fair value measurements within the fair value hierarchy established by GASB No 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). As of December 31, 2023, the District had no assets or liabilities within the fair value hierarchy established by GASB No. 72.

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS AND DEFERRED INFLOWS OF RESOURCES

Receivables and Allowances

Receivables as of December 31, 2023, for the District's general fund, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>
Receivables:	
Property taxes	\$ 198,791
Due from other governments	24,614
Accrued interest	<u>3,404</u>
Gross receivables	226,809
Less: Allowance for uncollectible	<u>3,790</u>
Net total receivables	<u>\$ 223,019</u>

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS AND DEFERRED INFLOWS OF RESOURCES

- Continued

Deferred Inflows of Resources and Unearned Revenues

Governmental funds defer the recognition of revenue in connection with receivables for revenues that are considered to be unavailable to liquidate liabilities of the current period and report these amounts as deferred inflows of resources. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

As of December 31, 2023, the deferred inflows of resources reported in the governmental funds were as follows:

	<u>Deferred Inflows of Resources (Unavailable)</u>
Current property taxes collected (October 1, 2023 Levy)	\$ 59,915
Current property taxes receivable (October 1, 2023 Levy)	183,734
Delinquent property taxes receivable (October 1, 2022 and prior)	<u>11,267</u>
Total deferred inflows of resources from governmental funds	<u>\$ 254,916</u>

Governmental activities defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. As of December 31, 2023, deferred inflows of resources reported on the governmental activities were as follows:

	<u>Deferred Inflows of Resources (Unavailable)</u>
Current property taxes collected (October 1, 2023 Levy)	\$ 59,915
Current property taxes receivable (October 1, 2023 Levy)	<u>183,734</u>
Total deferred inflows of resources from governmental activities	<u>\$ 243,649</u>

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 4 - CAPITAL ASSETS

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

	<u>Balance 01-01-23</u>	<u>Additions</u>	<u>Retirements/Re- classifications</u>	<u>Balance 12-31-23</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated/ Amortized:				
Land	\$ <u>22,115</u>	\$ -	\$ -	\$ <u>22,115</u>
Total capital assets, not being depreciated/amortized	<u>22,115</u>	-	-	<u>22,115</u>
Capital Assets, Being Depreciated/ Amortized:				
Buildings	83,527	-	-	83,527
Vehicles	17,399	-	-	17,399
Equipment	6,188	-	-	6,188
Right to use leased assets	<u>4,449</u>	-	-	<u>4,449</u>
Total capital assets, being depreciated/amortized	<u>111,563</u>	-	-	<u>111,563</u>
Less Accumulated Depreciation/ Amortization For:				
Buildings	25,522	2,784	-	28,306
Vehicles	17,399	-	-	17,399
Equipment	1,548	883	-	2,431
Right to use leased assets	<u>1,443</u>	<u>1,483</u>	-	<u>2,926</u>
Total accumulated depreciation/ amortized	<u>45,912</u>	<u>5,150</u>	-	<u>51,062</u>
Total capital assets, being depreciated/amortized, net	<u>65,651</u>	(<u>5,150</u>)	-	<u>60,501</u>
Governmental activities capital assets, net	\$ <u>87,766</u>	\$ (<u>5,150</u>)	\$ -	\$ <u>82,616</u>

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

Governmental Activities:	
Groundwater conservation	\$ <u>5,150</u>
Total depreciation expense-governmental activities	\$ <u>5,150</u>

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

Notes To The Financial Statements

For the Year Ended December 31, 2023

NOTE 5 - LEASE LIABILITY

On January 1, 2022, the District entered a thirty-seven month lease agreement for the lease of a copier. Based on this agreement, the District is required to make monthly payments of \$ 130. There are no renewal options included in this lease agreement and the District will not purchase the copier at the end of the lease term. An initial lease liability was recorded in the amount of \$ 4,449 using 3.00% discount rate. As of December 31, 2023, the value of the lease liability was \$ 1,642 and the value of the right to use leased asset was \$ 4,449 and had accumulated amortization of \$ 2,926.

The future principal and interest lease payments as of December 31, 2023, were as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,513	\$ 47	\$ 1,560
2025	<u>129</u>	<u>1</u>	<u>130</u>
Totals	<u>\$ 1,642</u>	<u>\$ 48</u>	<u>\$ 1,690</u>

NOTE 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 7 - EVALUATION OF SUBSEQUENT EVENTS

This District has evaluated subsequent events through June 20, 2024, the date which the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 249,160	\$ 249,160	\$ 248,428	\$(732)
Licenses and permits	350	350	2,350	2,000
Investment income	8,000	13,000	38,732	25,732
Miscellaneous	200	200	2,489	2,289
Total revenues	257,710	262,710	291,999	29,289
Expenditures:				
Current:				
Administrative:				
Advertising/notices	600	600	435	165
Continuing education/training	1,250	425	175	250
Election	200	200	-	200
Office supplies	1,400	1,890	1,180	710
Gasoline	2,000	1,600	1,527	73
Insurance	3,150	3,990	3,978	12
Meetings	600	700	688	12
Dues/memberships	1,700	1,190	1,190	-
Printing	100	100	-	100
Telephone/internet	4,000	4,000	3,238	762
Postage	500	500	496	4
Software purchases	1,950	2,210	2,258	(48)
Travel	750	515	30	485
Repairs and maintenance	1,000	3,835	3,831	4
Total administrative	19,200	21,755	19,026	2,729
Conservation:				
Meters	4,020	-	-	-
Public education	250	-	-	-
Well plugging assistance	300	-	-	-
Total conservation	4,570	-	-	-
Facilities:				
Janitorial service	1,200	1,200	1,200	-
Landscaping	1,300	1,300	1,160	140
Pest control	360	245	243	2
Repairs and maintenance	500	1,640	1,636	4
Utilities	3,500	3,500	3,431	69
Total facilities	6,860	7,885	7,670	215

(Continued)

COLORADO COUNTY GROUNDWATER CONSERVATION DISTRICT

*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Personnel				
Wages	\$ 141,000	\$ 143,300	\$ 145,310	\$(2,010)
Payroll taxes	10,780	10,940	8,041	2,899
Employee benefits	22,500	26,370	22,408	3,962
Retirement	<u>4,230</u>	<u>4,290</u>	<u>4,200</u>	<u>90</u>
Total personnel	<u>178,510</u>	<u>184,900</u>	<u>179,959</u>	<u>4,941</u>
Professional Fees				
Auditor	7,000	7,700	7,300	400
Bank service charges	120	120	93	27
Appraisal district	12,700	12,400	12,383	17
Consulting	1,000	3,450	3,447	3
Hydrologist/engineering	5,000	-	-	-
Legal	5,000	5,000	4,613	387
IT support	1,000	2,650	2,644	6
Water quality lab tests	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total professional fees	<u>34,820</u>	<u>31,320</u>	<u>30,480</u>	<u>840</u>
Debt Service				
Principal	1,440	1,440	1,439	1
Interest and fiscal charges	<u>160</u>	<u>160</u>	<u>121</u>	<u>39</u>
Total expenditures	<u>245,560</u>	<u>247,460</u>	<u>238,695</u>	<u>8,765</u>
Net change in fund balance	12,150	15,250	53,304	38,054
Fund balance - beginning	<u>830,376</u>	<u>830,376</u>	<u>830,376</u>	<u>-</u>
Fund balance - ending	<u>\$ 842,526</u>	<u>\$ 845,626</u>	<u>\$ 883,680</u>	<u>\$ 38,054</u>

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