

BEXAR-MEDINA-ATASCOSA COUNTIES

WATER CONTROL AND IMPROVEMENT

DISTRICT NO. 1

AUDITED FINANCIAL STATEMENTS

December 31, 2023

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Independent Auditor's Report

To the Board of Directors
Bexar-Medina-Atascosa Counties Water Control and
Improvement District No. 1
Natalia, Texas

Opinion

I have audited the accompanying financial statements of the Bexar-Medina-Atascosa Counties Water Control and Improvement District No. 1 (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, as listed in the table of contents.

In my opinion, except for the omission of the information discussed in the emphasis of matters paragraph and as discussed in note 5, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2023, and the respective changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District and to meet my other ethical responsibilities in accordance with the relative ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but 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, including omissions, are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 my judgement, 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.

I am 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 I identified during the audit.

Emphasis of Matters

As discussed in Note 5 to the financial statements, the District has not determined the quantity and value of land acquired for operation and expansion of the irrigation system since the District's creation in 1925. The District's records do not permit the application of alternative procedures regarding the value of such land at the time of acquisition.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios and schedule of employer contributions as listed in the table of contents be presented to supplement the 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink, appearing to read "Gregory R. Seibert, CPA". The signature is fluid and cursive, with the letters "G", "R", and "S" being particularly prominent.

Gregory R. Seibert, CPA

Kerrville, Texas 78028

April 16, 2024

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1

Management's Discussion and Analysis
December 31, 2023

Introduction

As management of the Bexar-Medina-Atascosa Water Control and Improvement District No. 1 (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 year ended December 31, 2023. We encourage readers to consider the information presented.

District Overview

During the year ended December 31, 2023, the District was unable to continue deliveries of irrigation water to its customers due to unfavorable weather and rainfall conditions. The major projects continued on pace with no substantial changes. There were no significant changes to management or other key employees of the District.

Financial Highlights

BMA's assets and deferred outflows exceeded its liabilities and deferred inflows at December 31, 2023 by \$32,639,771. Of this amount, \$11,838,337 (unrestricted net position) may be used to meet the District's ongoing obligations to landowners and creditors.

During 2023, the District's total net position increased by \$2,573,502 or 8.6%.

The District's operating revenues increased by \$41,759 over the prior year which represents a 1.3% increase.

Total expenses of the District were \$1,971,270 in 2023 as compared to \$2,225,333 in 2022 which represents a decrease of 11.42%.

Budgetary Highlights

The District reported overall revenues of \$4,511,272 versus a budgeted estimate of \$4,293,228 resulting in a positive budget variance of \$218,044 or 5.01%.

The District reported overall expenses of \$3,073,528 on the budgetary basis versus a budgeted estimate of \$3,814,164 resulting in a positive variance of \$740,636 or 19.42%

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Management's Discussion and Analysis
December 31, 2023

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements which include the statement of net position, statement of revenues, expenses and changes in net position: and the statement of cash flows and the notes to the financial statements and supplementary information.

The District maintains one enterprise fund because of the nature of the District's activities, the reliance upon user fees, and the fact that the District has no component units to report.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. Each note is designed to give a more detailed explanation of the figures that are presented in summary form throughout the financial statements.

Comparative Financial Information

For the year ended December 31, 2023, assets and deferred outflows exceeded liabilities and deferred inflows by \$32,639,771.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, water system and system improvements), less any related debt used to acquire those assets that is outstanding. The District uses these capital assets to provide services to landowners; consequently, these assets are not available for future spending. Although the District's investment **in** its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents condensed net position information for the years ended December 31, 2023 and 2022:

**BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1**

Management's Discussion and Analysis
December 31, 2023

	2033	2022	Increase (Decrease)
Current and other assets	\$12,287,631	\$ 11,100,882	\$ 1,186,749
Capital assets	21,136,434	20,163,456	972,978
Total assets	<u>33,424,065</u>	<u>31,264,338</u>	<u>2,159,727</u>
 Total deferred outflows of resources	 <u>252,543</u>	 <u>210,485</u>	 <u>42,058</u>
 Current liabilities	 271,909	 399,259	 (127,350)
Long-term liabilities	<u>335,000</u>	<u>335,000</u>	<u></u>
Total liabilities	<u>606,909</u>	<u>734,259</u>	<u></u>
 Total deferred inflows of resources	 <u>429,928</u>	 <u>674,295</u>	 <u>(244,367)</u>
 Net position:			
Invested in capital assets ,			
Net of related debt	20,801,434	19,825,456	975,978
Restricted			
Unrestricted	<u>11,838,337</u>	<u>10,240,813</u>	<u>1,597,524</u>
Total net position	<u>\$32,639,771</u>	<u>\$ 30,066,269</u>	<u>\$ 2,573,502</u>

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1

Management's Discussion and Analysis
December 31, 2023

The District's net position increased during the current year. The increase is attributable to activities as shown in the following table:

	2023	2022	(Increase) (Decrease)
Revenue			
Municipal water sales	\$ 3,295,710	\$ 3,135,918	\$ 159,792
Fixed water assessments	450,036	347,919	102,117
Irrigation water sales		220,150	(220,150)
Investment earnings	568,635	203,094	365,541
Other	230,391	401,822	(171,431)
Total revenue	4,544,772	4,308,903	235,869
Expenses			
Payroll	348,556	644,471	(295,915)
Professional fees	409,836	284,014	125,822
Maintenance and repairs	39,450	31,503	7,947
Insurance	151,329	227,674	(76,345)
Materials	120,474	121,115	(641)
Taxes	29,555	48,962	(19,407)
Operations	855,320	848,857	6,463
Interest	16,750	18,737	(1,987)
Total expenses	1,971,270	2,225,333	(254,063)
Change in net position	2,573,502	2,083,570	489,932
Capital contribution			
Net position - beginning	30,066,269	27,982,699	2,083,570
Net position - ending	\$ 32,639,771	\$ 30,066,269	\$ 2,573,502

Capital Asset and Long-term Debt

Capital Assets

As of December 31, 2023, total capital assets of the District totaled \$20,136,434 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, dam and water system and system improvements and machinery and equipment is detailed as follows: .

**BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Management's Discussion and Analysis
December 31, 2023

	<u>2023</u>	<u>2022</u>
Land	\$ 497,407	\$ 497,407
Buildings	233,339	233,339
Machinery and equipment	2,683,165	2,683,165
Dam and water system	27,708,655	26,228,189
Vehicles	606,993	606,993
Other	<u>102,200</u>	<u>102,200</u>
	31,831,759	30,351,293
Accumulated depreciation	<u>(10,695,325)</u>	<u>(10,187,837)</u>
	<u>\$ 21,136,434</u>	<u>\$ 20,163,456</u>

Long-term Debt

At year end the District had \$335,000 of contract revenue notes outstanding. These notes were issued in 2010 and were used to finance the water system rehabilitation project.

Items That Will Have a Significant Financial Impact

Economic Factors and Next Year's Budget

The District anticipates similar operating results in 2023 that were achieved in 2022.

Contacting the District's Financial Management

This financial report is designed to provide our landowners, customers, and creditors with 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 District at P.O. Box 170, Natalia, Texas 78059, or you may call (830)-665-2132.

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1

Statement of Net Position

December 31, 2023

Assets

Cash & Cash Equivalents	\$ 11,402,001
Receivables:	
Fixed water assessments - net	118,346
Other	116,547
Inventory	86,045
Prepaid expenses	126,014
Net pension asset	96,199
Lease asset	342,479
Capital assets	<u>21,136,434</u>
Total assets	<u>33,424,065</u>

Deferred Outflows of Resources

Difference in assumptions	77,663
Difference in projected/actual earnings	79,535
Deferred Pension Contributions	<u>95,345</u>
Total deferred outflows of resources	<u>252,543</u>

Liabilities

Accounts payable	49,190
Deferred revenue	157,785
Accrued liabilities	64,284
Contract revenue notes	335,000
Other	<u>650</u>
Total liabilities	<u>606,909</u>

Deferred inflows of resources

Difference in experience	109,983
Lease revenue	<u>319,945</u>
Total deferred outflows of resources	<u>429,928</u>

Net position

Invested in capital assets, net of related debt	20,801,434
Unrestricted	<u>11,838,337</u>
	<u>\$ 32,639,771</u>

See notes to basic financial statements

BEXAR-MEDINA-ATASCOSA WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1

Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2023

Operating Revenues

Municipal water sales	\$ 3,295,710
Irrigation water sales	
Fixed water assessments	450,036
Total operating revenues	<u>3,745,746</u>

Operating Expenses

Directors fees	12,600
Payroll	348,556
Pension expense	63,133
Professional fees	409,836
Contracted services	87,469
Maintenance and repairs	39,450
Materials	120,474
Insurance	151,329
Depreciation	504,778
Office	32,142
Telephone	13,231
Utilities	8,940
Fuel and lubricants	64,191
Water master fee	34,908
Other	9,899
Uniforms	10,080
Employee recognition	13,949
Taxes - payroll	<u>29,555</u>
Total operating expenses	<u>1,954,520</u>
Operating income	<u>1,791,226</u>

Non-operating Revenues (expenses)

Sale of assets	56,016
Rental income	71,823
Interest Income	568,635
Other	102,552
Interest Expense	<u>(16,750)</u>
Net Non-operating Revenues	<u>782,276</u>

Change in Net Position	2,573,502
Net Position - Beginning	<u>30,066,269</u>
Net Position - Ending	<u>\$ 32,639,771</u>

See notes to basic financial statements

BEXAR-MEDINA-ATASCOSA WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1

Statement of Cash Flows
Year Ended December 31, 2023

Operating Activities

Cash received from customers	\$ 3,680,951
Cash payments to employees	(372,623)
Cash payments to other suppliers for goods and services	<u>(1,081,583)</u>
Net cash provided by operating activities	<u>2,226,745</u>

Capital and Related Financing Activities

Principal and interest paid	(16,750)
Acquisition or construction of capital assets	<u>(1,355,173)</u>
Net cash used in capital and related financing activities	<u>(1,371,923)</u>

Investing Activities

Investment Income	<u>568,635</u>
Net cash provided by investing activities	<u>568,635</u>

Net Increase (Decrease) In Cash and Cash Equivalents 1,423,457

Cash and Cash Equivalents, Beginning of Year 9,978,544

Cash and Cash Equivalents, End of Year \$ 11,402,001

Reconciliation to the Statement of Net Position

Cash and cash Equivalents	<u>11,402,001</u>
	<u>\$ 11,402,001</u>

Reconciliation of Operating Income (loss) to Net Cash

Provided by (used in) Operating Activities

Operating Income	<u>\$ 1,791,226</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities	
Depreciation	504,778
Pension expense	63,133
Change in assets and liabilities	
Decrease (increase) in receivables	(64,795)
Decrease (increase) in inventory	31,545
Decrease (increase) in prepaid expenses	28,211
Increase (decrease) in accounts payable	(92,964)
Increase (decrease) in deferred revenue	(22,187)
Increase (decrease) in accrued liabilities	<u>(12,202)</u>
Total Adjustments	<u>435,519</u>
Net Cash Provided by operating activities	<u>\$ 2,226,745</u>

See notes to basic financial statements

**BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1**

Notes to the Financial Statements
For the Year Ended December 31, 2023

NOTE 1 - Summary of Significant Accounting Policies

General Statement

The Bexar-Medina-Atascosa Counties Water Control and Improvement District No. 1 (the District), was organized as a municipal corporation under the Water Improvement District Laws of Texas, Section 52, Article III, Texas Constitution; Chapter 2, Title 128, Article 7622 and subsequent, Revised Statutes of Texas 1925; and Chapter 87 of the general laws passed by the 35th Legislature at the regular session in 1917. The District currently operates under Article XVI, Section 59 of the Texas Constitution, Chapters 49, 50 and 51 of the Texas Water Code, and other applicable general laws of the State. The District was reorganized as a municipal corporation or irrigation district on February 8, 1925. The District provides irrigation water to a three county area in south-central Texas.

The accounting policies of the District conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board (GASB) which is the recognized financial accounting standard setting body for governmental entities. The notes to the financial statements are an integral part of the District's general purpose financial statements.

Financial Reporting Entity

The District is governed by a seven member Board of Directors, elected by the landowners of the District to serve a four-year term and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. The Board also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14, *"The Financial Reporting Entity"*, and is not included in any other governmental reporting entity.

There are no component units required to be included in these financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Notes to the Financial Statements
For the Year Ended December 31, 2023

The District operates as an enterprise (proprietary) fund. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for municipal water sales. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State law and the District's investment policy restrict both time and demand deposits, including certificates of deposit (CD); to those depositories doing business in the state of Texas and further require full insurance and/or pledging of collateral. CDs are limited to a stated maturity not exceeding one-year. Pledged collateral, equal to not less than 102% of the covered account balance is required for all deposits and is limited to obligations of the U.S. government, its agencies or instrumentalities and municipal obligations rated not less than AA or equivalent by two nationally recognized rating agencies. Independent safekeeping is required outside the pledging bank's holding company with monthly reporting. Securities are monitored and priced at market on a daily basis as a contractual responsibility of the depository.

State law and the District's investment policy limit repurchase agreements to those with defined termination dates executed with a Texas bank or a primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement and a minimum of 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed 90 days to stated maturity.

State law and the District's investment policy require commercial paper be rated A1/P1 or equivalent by two nationally recognized rating agencies and restricts maturity to a maximum maturity of 185 days.

State law and the District's investment policy restrict investment in SEC registered mutual funds to money market mutual funds striving to maintain a \$1 net asset value as further defined by state law. A rating of the mutual fund is not required.

**BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Notes to the Financial Statements
For the Year Ended December 31, 2023

State law requires that local government investment pools be rated AAA, or equivalent, by at least one nationally recognized rating agency. The District investment policy further restricts investments to AAA rated, constant dollar local government investment pools.

Inventories and Prepaid Expenses

All inventories are valued at cost using the weighted-average cost method. The consumption method is used to account for the inventory. Under the consumption method, inventories are recorded as expenses when consumed rather than when purchased.

Restricted Assets

Certain proceeds of revenue bonds are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

Capital Assets

Capital assets, which include property, plant, equipment and water system assets, are defined by the District as assets with an initial, individual cost of more than \$5,000.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Contributions of capital assets to proprietary funds from external sources are recorded as revenue.

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Notes to the Financial Statements
For the Year Ended December 31, 2023

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Dam and water system	50 years
Machinery and equipment	5-10 years
Furniture and fixtures	3-7 years
Vehicles	5-10 years

Compensated Absences

Vested or accumulated vacation leave is accrued when incurred in the statement of net assets. A liability for these amounts is reported in the financial statements only if they have matured, for example, as a result of employee resignations or retirements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from the TCERS' fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the District's total pension liability is obtained from TCERS through a report prepared for the District by TCERS consulting actuary, Milliman, Inc., in compliance with Governmental Accounting Standards Board (GASB) Statements No. 68 *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, as amended.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net positions that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure/reduction of net pension liability) until then. The District has the following items that qualify for reporting in this category:

**BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Notes to the Financial Statements
For the Year Ended December 31, 2023

- Pension contributions after measurement date - These contributions are deferred and reported as a reduction in net pension liability or increase in net pension assets in the year subsequent to their deferral.
- Difference between projected and actual earnings on pension investments - This difference is deferred and amortized to pension expense over a closed five-year period.
- Difference in expected and actual pension experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Change of assumptions - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

In addition to liabilities, the statement of net position sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue or reduction in pension expense) until that time. In the financial statements, resources unavailable for revenue recognition are deferred and recognized as revenue when available.

Classification of Fund Equity

The financial statements report three classifications of equity: (1) net investment in capital assets; (2) restricted net position and (3) unrestricted net position. In the first category, capital assets are netted with related bonded debt. Restricted net position includes debt service, grantor and other government restrictions for proprietary funds.

Uses of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements along with reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncement

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SB/TA;)* was adopted in 2023. The statement is based on the principle that SBITAs are financing arrangements of the right to use another party's information technology software. It establishes a right-to-use SBITA asset and a subscription liability. BMA did not identify any material subscription-based information technology arrangements during the year ended December 31, 2023.

**BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Notes to the Financial Statements
For the Year Ended December 31, 2023

NOTE 2 - Deposits and Investments

At year-end, the carrying amount of the District's cash on hand and deposits with financial institutions was \$8,873,155. All of the bank balances were covered by federal deposit insurance and collateral pledged by the depository in the District's name and held by the depository's agent.

Investments as of December 31, 2023 are as follows:

<u>Name</u>	<u>Amount</u>	<u>Value</u>	<u>Category</u>	<u>Rating</u>	<u>Maturity</u>
Texpool	<u>\$ 10,740,179</u>	<u>\$10,740,179</u>			
	<u>\$ 10,740,179</u>	<u>\$10,740,179</u>			

All of investments above are treated as cash equivalents for financial statement purposes.

NOTE 3 - Accounts Receivable

Accounts receivable includes fixed water assessments of \$147,346 due as of December 31, 2023. A provision for uncollectible accounts on these assessments in the amount of \$29,000 has been provided for.

NOTE 4 - Leases

The District leases access to waterfront areas under multiple long-term leases. The payment terms include quarterly and annual payments with an interest rate of 7.75%

An initial lease asset and deferred revenue was recorded in the amount of \$348,557 as of January 1, 2022. When a lease payment is received the lease asset is reduced by the principle amount and interest income is recognized. The deferred revenue is amortized as lease revenue on a straight-line basis. As of December 31, 2023, the value of the lease asset is \$342,479 and the value of deferred revenue is \$319,945.

Future minimum lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	3,277	26,544	29,821
2025	4,520	26,232	30,752
2026	5,234	25,870	31,104
2027	6,027	25,451	31,478
Thereafter	<u>323,421</u>	<u>386,750</u>	<u>719,171</u>
	<u>342,479</u>	<u>490,847</u>	<u>842,326</u>

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL**AND IMPROVEMENT DISTRICT NO. 1**

Notes to the Financial Statements
For the Year Ended December 31, 2023

NOTE 5 - Capital Assets

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

	2022	Additions	Retirements	2023
Land and easements	\$ 497,405	\$ 5,276	\$	\$ 502,681
Buildings	233,339			233,339
Water system	7,908,815			7,908,815
Machinery and equipment	2,683,165			2,683,165
Vehicles	606,993			606,993
Furniture and fixtures	80,012	6,982	5,717	81,277
Fencing	22,189			22,189
Project development	2,940,578	12,114		2,952,692
Medina dam project	9,451,696	1,461,811		10,913,507
Water system rehab project	5,927,100			5,927,100
	30,351,292	1,486,183	5,717	31,831,758
Accumulated depreciation	(10,187,836)	(513,205)	5,717	(10,695,324)
	<u>\$ 20,163,456</u>	<u>\$ 972,978</u>	<u>\$ 11,434</u>	<u>\$ 21,136,434</u>

The value of land acquired since 1925 by the District has not been established; therefore, it is not recorded on the books as of December 31, 2023. Property owners deeded the land to the District at the time of creation of the District for the purposes of establishing the system of canals needed to complete the irrigation system. The total number of acres donated to the District has not been determined.

Note 6 - Accrued Liabilities

Accrued liabilities consisted of accrued payroll and related payroll taxes as of December 31, 2023.

NOTE 7 - Contract Revenue Notes

On May 4, 2010, the District issued \$4,500,000 of contract revenue notes to fund the rehabilitation of the water delivery system. The notes are payable from revenue received from the water sales contract with the San Antonio Water System.

**BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Notes to the Financial Statements
For the Year Ended December 31, 2023

Debt currently outstanding is as follows:

Contract revenue notes:

	Balance			Balance	Amount
	<u>12/31/2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/2023</u>	<u>Due In</u>
					<u>2023</u>
Serial bonds:					
	\$ <u>335,000</u>			<u>335,000</u>	
	\$ <u>335,000</u>	\$	\$	\$ <u>335,000</u>	\$
		=====	=====		=====

	Balance	Maturity	
	<u>12/31/2023</u>	<u>Date</u>	<u>Rate</u>
Maturity:			
	\$ <u>335,000</u>	2/1/2030	5.00%
	\$ <u>335,000</u>		

NOTE 8 - Other Information

Risk Management

The District is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property damage to District assets, errors and omissions and personal risks which relate to workers' compensation. The District participates in the Texas Municipal League Intergovernmental Risk Pool. As an insured, the District is not obligated to reimburse the pool for losses. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the District's basic financial statements.

The District provides health care benefits on a fully insured basis to eligible employees. The District contributes 100% of the premium for employee coverage.

Commercial insurance is purchased for the other risks of losses to which the District is exposed. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the two prior years.

Contingent Liabilities and Commitments

The District is a party in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's management that the resolution of these matters will not have a material adverse effect on the financial condition of the District.

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

NOTE 9 - Defined Benefit Pension Plan

Plan Description

The District participates in the nontraditional defined benefit pension plan of the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 737 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 5 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 5 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Contributions

The District has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of the employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. The District contributed using the actuarially determined rate of 7.12% for 2023.

The contribution rate payable by the employee members for 2023 is 7% as adopted by the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Notes to the Financial Statements
For the Year Ended December 31, 2023

Benefits Provided

TCDRS provides retirement, disability and death benefits. Benefit provisions are adopted by the District within the options available and the state statutes governing TCDRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the District-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefits in one of seven payment options. Members may choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Number of inactive employees entitled to but not yet receiving benefits	30
Number of inactive employees receiving benefits	3
Number of active employees	<u>21</u>
	<u>54</u>

Net Pension Liability

The District's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total Pension Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary Increases	3.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Depositing members - The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP=Active Employee Mortality Table for females with a four-year setback, both projected to 2014 with a scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Notes to the Financial Statements
For the Year Ended December 31, 2023

Service Retirees, Beneficiaries and Non-Depositing Members - The RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.

Disable Retirees - RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two year set-forward for females.

Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. Updated mortality assumptions were adopted in 2015. All other actuarial assumptions that determined the total pension liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 7.50%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term funding needs of TCDRS.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS investment consultant, Cliffwater, LLC. The numbers shown are based on January 2018 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009 - December 31, 2012 for more details.

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Notes to the Financial Statements
For the Year Ended December 31, 2023

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u>	<u>Geometric Rate of Return</u>
U.S. Equities	Dow Jones U.S. Total Stk Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Dev. Mkts	MSCI World ExUSA (net) Index	5.00%	4.95%
Int'l Equities - Emerging Mkts	MSCI Emerging Index (net)	6.00%	4.95%
Investment - Grade Bnds	Bloomberg Barclays U.S. Agg. Bn	3.00%	2.40%
Strategic Credit	FTSE High-Yield Capped Index	9.00%	3.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Assoc. Distressed Se	4.00%	7.60%
REIT Equities	67% FTSE REIT Index/ 33% S&P	2.00%	4.15%
Master Limited Ptnrshps	Alerian MLP Index	2.00%	5.30%
Private Real Estate Part.	Cambridge Assoc. Real Estate Ir	6.00%	5.70%
Private Equity	Cambridge Assoc. Global Privat,	25.00%	7.95%
Hedge Funds	HFRI Fund of Funds Composite	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%
		<u>100.00%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions would be made at the rates specified in the statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current inactive employees. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine Total Pension Liability.

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.60%) and 1% higher (8.60%) than the current rate:

	Discount Rate 6.60%	Discount Rate 7.60%	Discount Rate 8.60%
Net Pension Liability (Asset)	\$ <u>385,046</u>	\$ <u>(96,199)</u>	\$ <u>(494,835)</u>

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TCDRS financial report. That report may be obtained at www.tcdrs.com.

For the year ended December 31, 2022, the district recognized pension expense of \$63,133. Also as of December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ 9,676	\$ 119,659
Changes in actuarial assumptions	77,663	
Differences between projected and actual investment earnings	79,535	
Contributions subsequent to measurement date		<u>N/A</u>
	<u>\$ 166,874</u>	<u>\$ 119,659</u>

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
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Notes to the Financial Statements
For the Year Ended December 31, 2023

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

For the plan year ended December 31,

2022	\$ (26,705)
2023	9,973
2024	(20,820)
2025	84,767
2026	
Thereafter	
	\$ <u>47,215</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.com.

NOTE 10 - Disclosure about Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is hierarchy of three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

Investments

Where quoted market prices are available in the active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At December 31, 2023, all investments held by the District met the Level 1 hierarchy classification.

REQUIRED SUPPLEMENTARY INFORMATION

**BEXAR-MEDINA-ATASCOSA WATER CONTROL
AND IMPROVEMENT DISTRICT NO. I**

Schedule of Changes in Net Pension Liability and Related Ratios

A. Total Pension Liability

	Measurement Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service cost	\$ 158,337	\$ 161,473	\$ 134,343	\$ 123,349	\$ 132,571	\$ 121,707	\$ 131,367	\$ 100,617	\$ 99,361
Interest (on the Total Pension Liability)	216,829	193,758	167,507	152,847	138,496	118,063	101,751	94,671	79,612
Changes of benefit tenns								(31,494)	
Diff between expected and actual experience				(39,325)	(28,779)	(3,507)			
Changes of assumptions		14,182	172,884					6,852	
Refund of contributions	(41,892)	(257)	(10,106)	(56,262)	(10,399)				
Effect of economic/demographic (gains) losses	(146,850)	(2,763)	24,187			27,508	(74,014)	(102,646)	24,861
Benefit payments/refunds of contributions	(39,273)	(39,273)	(39,273)	(27,456)	(18,727)	(15,893)	(14,169)	(1,592)	(11,125)
Net change in pension liability	\$ 147,151	\$ 327,120	\$ 449,542	\$ 153,153	\$ 213,162	\$ 247,878	\$ 144,935	\$ 66,408	\$ 192,709
Total pension liability - beginning	2,734,511	2,407,391	1,957,849	1,804,696	1,591,534	1,343,656	1,198,721	1,132,313	939,603
Total pension liability - ending	\$1,881,662	\$ 2,734,511	\$ 2,407,391	\$ 1,957,849	\$ 1,804,696	\$ 1,591,534	\$ 1,343,656	\$ 1,198,721	\$ 1,132,312

B. Plan fiduciary net position

Contributions - employer	\$ 95,992	\$ 68,624	\$ 76,387	\$ 70,190	\$ 67,172	\$ 68,032	\$ 65,836	\$ 74,018	\$ 73,897
Contributions - employee	68,357	71,271	73,550	69,104	66,040	64,181	60,558	62,956	56,287
Net investment income	(187,012)	543,785	217,528	288,762	(30,191)	201,128	86,258	(21,683)	58,393
Refund of contributions	(41,892)		(10,106)	(56,262)	(10,399)	(15,893)	(14,169)	(1,592)	(11,125)
Benefit payments	(39,273)	(39,531)	(39,273)	(27,456)	(18,727)				
Administrative expense	(1,745)	(1,660)	(1,773)	(1,603)	(1,413)	(1,119)	(938)	(798)	(740)
Other	14,276	3,510	3,184	2,197	3,270	1,548	17,311	(1,459)	38
Net change in plan fiduciary net position	\$ (91,297)	\$ 645,999	\$ 319,497	\$ 344,932	\$ 75,752	\$ 317,877	\$ 209,856	\$ 111,442	\$ 176,750
Plan fiduciary position - beginning	3,069,158	2,423,159	2,103,662	1,758,730	1,682,978	1,365,100	1,155,244	1,043,802	867,052
Plan fiduciary net position - ending	\$2,977,861	\$3,069,158	\$ 2,423,159	\$ 2,103,662	\$ 1,758,730	\$ 1,682,977	\$1,365,100	\$ 1,155,244	\$ 1,043,802
C. Net pension liability	\$ (96,199)	\$ (334,647)	\$ (15,768)	\$ (145,813)	\$ 45,966	\$ (91,443)	\$ (21,444)	\$ 43,477	\$ 88,510

D. Plan fiduciary net position as a% of total pension liab.

	103.34%	112.24%	100.65%	107.45%	97.45%	105.75%	101.60%	96.37%	92.18%
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E. Covered employee payroll

\$ 976,522	\$1,018,163	\$ 1,050,708	\$ 987,202	\$ 943,430	\$ 916,876	\$ 865,119	\$ 899,373	\$ 804,106
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F. Net pension liab. as a% of covered employee payroll

-9.85%	-32.87%	-1.50%	-14.77%	4.87%	-9.97%	-2.48%	4.83%	1101%
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BEXAR-MEDINA-ATASCOSA WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 1

Schedule of Employer Contributions

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 73,897	\$ 74,018	\$ 65,836	\$ 68,032	\$ 67,172	\$ 70,190	\$ 76,387	\$ 68,624	\$ 95,992
Contributions in relation to the actuarially determined contribution	73,897	74,018	65,836	68,032	67,172	70,190	76,387	68,624	95,992
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Covered employee payroll	\$804,106	\$899,373	\$865,119	\$916,876	\$943,430	\$987,202	\$1,050,708	\$1,018,163	\$ 976,522
Contributions as a % of covered employee payroll	9.19%	8.23%	7.61%	7.42%	7.12%	7.11%	7.27%	6.74%	9.83%

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen months later.

Methods and assumptions Used to Determine Contribution Rates:

Actuarial cost Method	Entry age normal
Amortization method	Level% of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation
Investment rate of return	7.50%, net of administrative expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefits based on age. The average age at service retirement for recent retirees is 61
Mortality	135% of the Pub-2010 General retirees Table for males and 120% for females. Both projected with 100% of the MP-2021 Ultimate scale after 2010

Other Information:

Notes There were no benefit changes during the year.

BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL

AND IMPROVEMENT DISTRICT NO. 1

Schedule of Revenues, Expenses and Changes In Net Position - Budget and Actual

Year ended December 31, 2023

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Operating Revenues					
Municipal water sales	\$ 3,295,710	\$	\$ 3,295,710	\$ 3,295,710	\$
Irrigation water sales				100,000	(100,000)
Fixed water assessments	450,036		450,036	464,640	(14,604)
Total Revenues	3,745,746		3,745,746	3,860,350	(114,604)
Expenditures					
Directors fee	12,600		12,600	12,600	
Payroll	348,556	627,264	975,820	1,267,303	291,483
Pension expense	63,133		63,133	124,576	61,443
Professional fees	409,836		409,836	376,000	(33,836)
Contracted services	87,469		87,469	66,000	(21,469)
Capital assets purchases		725,861	725,861	1,040,000	314,139
Maintenance and repairs	39,450		39,450	85,000	45,550
Materials	120,474		120,474	183,066	62,592
Insurance	151,329	86,359	237,688	300,420	62,732
Depreciation	504,778	(504,778)			
Office	32,142		32,142	33,000	858
Telephone	13,231		13,231	16,000	2,769
Utilities	8,940		8,940	10,000	1,060
Fuel and lubricants	64,191	112,516	176,707	140,000	(36,707)
Water master fee	34,908		34,908		(34,908)
Other	9,899	7,050	16,949	20,500	3,551
Uniforms	10,080		10,080	10,000	(80)
Employee recognition	13,949		13,949	15,000	1,051
Taxes - payroll	29,555	47,986	77,541	97,949	20,408
Total operating expenses	1,954,520	1,102,258	3,056,778	3,797,414	740,636
Operating income	1,791,226	(1,102,258)	688,968	62,936	626,032
Non-operating revenues (expenses)					
Sale of assets	56,016		56,016	30,000	26,016
Rental income	71,823		71,823	91,578	(19,755)
Interest income	568,635		568,635	258,800	309,835
Other income	102,552		102,552	52,500	50,052
Debt service	(16,750)		(16,750)	(16,750)	
Total non-operating income	782,276		782,276	416,128	366,148
Change in Net Position	2,573,502	(1,102,258)	1,471,244	479,064	992,180
Net Position - Beginning	30,066,269		30,066,269	30,066,269	
Net Position - Ending	\$32,639,771	\$ (1,102,258)	\$31,537,513	\$30,545,333	\$ 992,180

See notes to basic financial statement

