

TAX CODE

TITLE 1. PROPERTY TAX CODE

SUBTITLE D. APPRAISAL AND ASSESSMENT

CHAPTER 26. ASSESSMENT

Sec. 26.18. POSTING REQUIREMENTS

(1) the name of each member of the governing body of the taxing unit:

Diana Thomas	General Manager
Ashley Masters	Technician
Bill Whitley	Board Chairman
Robert Richey	Board Vice-Chairman
James Furr	Board Secretary
Sid Sullenger	Board Member
Pete Barrera	Board Member

(2) the mailing address, e-mail address, and telephone number of the taxing unit:

PO Box 10
Mertzon, TX 76941

icwcd@verizon.net

325-835-2015

(3) the official contact information for each member of the governing body of the taxing unit, if that information is different from the information described by Subdivision (2):

Bill Whitley	billwhitley@targaresources.com
Robert Richey	r3ranch@aol.com
James Furr	furrfarms@aol.com
Sid Sullenger	sidstexas@yahoo.com
Pete Barrera	ptbarr48@yahoo.com

(4) the taxing unit's budget for the preceding two years:

	FY 2021-22
	ADOPTED
FIELD & LAB	\$ 5,785
INSURANCE	\$ 2,150
OFFICE	\$ 16,500
PAYROLL	\$ 75,200
PAY TAX	\$ 10,700
PROFESSIONAL	\$ 27,200
PUBLIC EDUCATION	\$ 50
TRAVEL	\$ 2,500
VEHICLE	\$ 5,000
WELL PLUGGING	\$ 50
RECHARGE ENHANCE	\$ 31,365
TOTAL OPERATING EXPENSES	\$ 176,500

	FY 2022-23
	ADOPTED
FIELD & LAB	\$ 5,685
INSURANCE	\$ 2,370
OFFICE	\$ 16,700
PAYROLL	\$ 68,200
PAY TAX	\$ 10,500
PROFESSIONAL	\$ 26,700
PUBLIC EDUCATION	\$ 50
TRAVEL	\$ 2,500
VEHICLE	\$ 6,000
WELL PLUGGING	\$ 50
RECHARGE ENHANCE	\$ 31,365
TOTAL OPERATING EXPENSES	\$ 170,120

(5) the taxing unit's **proposed** or adopted budget for the current year:

	FY 2023-24
	PROPOSED
FIELD & LAB	\$ 5620
INSURANCE	\$ 2680
OFFICE	\$ 17,700
PAYROLL	\$ 70,200
PAY TAX	\$ 10,700
PROFESSIONAL	\$ 26,700
PUBLIC EDUCATION	\$ 50
TRAVEL	\$ 2,500
VEHICLE	\$ 7,200
WELL PLUGGING	\$ 50
RECHARGE ENHANCE	\$ 32,500
TOTAL OPERATING EXPENDS	\$ 175,900

(6) the change in the amount of the taxing unit's budget from the preceding year to the current year, by dollar amount and percentage:

	CHANGE	CHANGE
	\$ AMOUNT	PERCENTAGE
FIELD & LAB	-\$ 65	- 1.1%
INSURANCE	+\$ 310	+ 13.1%
OFFICE	+\$ 1000	+ 6.0%
PAYROLL	+\$ 2000	+ 2.9%
PAY TAX	+\$ 200	+ 1.9%
PROFESSIONAL	\$ 0	0%
PUBLIC EDUCATION	\$ 0	0%
TRAVEL	\$ 0	0%
VEHICLE	+\$ 1200	+ 20%
WELL PLUGGING	\$ 0	0%
RECHARGE ENHANCE	+\$ 1,135	+ 3.6%
TOTAL OPERATING EXPENDS	+\$ 5,780	+ 3.4%

(7) in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for maintenance and operations for:

(A) the preceding two years:

All revenue of the Irion County Water Conservation District is allocated to maintenance and operations.

(B) the current year:

All revenue of the Irion County Water Conservation District is allocated to maintenance and operations.

(8) in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for debt service for:

(A) the preceding two years:

Not applicable for the Irion County Water Conservation District

(B) the current year:

Not applicable for the Irion County Water Conservation District

(9) the tax rate for maintenance and operations adopted by the taxing unit for the preceding two years:

2021	\$0.01188
2022	\$0.00655

(10) in the case of a taxing unit other than a school district, the tax rate for debt service adopted by the taxing unit for the preceding two years:

Not applicable for the Irion County Water Conservation District

(11) in the case of a school district, the interest and sinking fund tax rate adopted by the district for the preceding two years:

Not applicable for the Irion County Water Conservation District

(12) the tax rate for maintenance and operations proposed by the taxing unit for the current year:

2023	\$0.006165
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(13) in the case of a taxing unit other than a school district, the tax rate for debt service proposed by the taxing unit for the current year:

Not applicable for the Irion County Water Conservation District

(14) in the case of a school district, the interest and sinking fund tax rate proposed by the district for the current year:

Not applicable for the Irion County Water Conservation District

(15) the most recent financial audit of the taxing unit:

Most recent financial audit attached below.

IRION COUNTY
WATER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020



RICHARD A. BOWMAN

Certified Public Accountant

**IRION COUNTY WATER CONSERVATION DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Irion County Water Conservation District
Mertzon, Texas

Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities and the general fund of the Irion County Water Conservation District, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the general fund of the Irion County Water Conservation District, as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information on pages 3 to 5 and 31 to 33 be presented to supplement the basic financial statements. Such information, 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 inquiries 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.

Richard Bowman

Sweetwater, Texas
July 26, 2021

IRION COUNTY WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

In this section of the Annual Financial and Compliance Report, I, the manager of the Irion County Water Conservation District, discuss and analyze the District's financial performance for the fiscal year ended September 30, 2020. Please read it in conjunction with the independent auditor's report on page 1, and the District's Basic Financial Statements which begin on page 9.

FINANCIAL HIGHLIGHTS

- The District's Net Position increased by \$44,480 as a result of this year's operations.
- The General Fund ended the year with a fund balance of \$288,556.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 9 and 11). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 13) report the District's operations in a more short-term, as well as what resources remain for future spending.

The notes to the financial statements (starting on page 25) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 9. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting, which is the basis used by private sector companies.

These two statements report the District's Net Position and changes in them. The District's Net Position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's Net Position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 13 and provide detailed information about the most significant funds—not the District as a whole.

Governmental funds—Most of the District's basic services are reported in governmental funds. This fund uses the modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

IRION COUNTY WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

THE DISTRICT AS A WHOLE

The District's combined net position increased from a year ago – from \$259,901 to \$304,382 a total of \$44,480 compared to last year's increase of \$11,049. Looking at the net position and net expenses of governmental and business-type activities separately can give valuable information. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental and business-type activities.

Table 1 – Net Position

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$ 291,299	\$ 249,487
Capital Assets	14,373	12,151
Total assets	<u>305,672</u>	<u>261,638</u>
Current Liabilities	<u>1,290</u>	<u>1,737</u>
Total liabilities	<u>1,290</u>	<u>1,737</u>
Net position:		
Invested in capital assets, net of debt	14,373	12,151
Unrestricted	<u>290,009</u>	<u>247,750</u>
Total net position	<u>\$ 304,382</u>	<u>\$ 259,901</u>

Table 2 – Changes in Net Position

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Revenues		
General Revenues:		
Property Taxes	\$ 196,408	\$ 161,409
Interest and Other Income	<u>2,082</u>	<u>1,646</u>
Total Revenues	<u>198,490</u>	<u>163,055</u>
Expenses:		
Governmental activities	<u>154,010</u>	<u>152,006</u>
Increase in net position	<u>44,480</u>	<u>11,049</u>
Net position – beginning	259,901	248,852
Net position – ending	<u>\$ 304,382</u>	<u>\$ 259,901</u>

CAPITAL ASSET ADMINISTRATION

Capital Assets

At the end of September 30, 2020, the District had \$14,373 invested in capital assets.

**Capital Assets at Year-end
(Net of Depreciation)**

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Auto	\$ 8,000	\$ 10,458
Office Equipment	-	1,082
Field Equipment	6,373	611

IRION COUNTY WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budgeted expenditures are expected to be \$189,397. Revenues are also budgeted at \$189,397, with the jurisdictions served by the Irion County Water Conservation District billed their proportionate share of this budget.

If these estimates are realized, the District's budgetary general fund balance is expected to remain unchanged at the end of fiscal year 2021.

CONTACTING THE IRION COUNTY WATER CONSERVATION DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Irion County Water Conservation District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Office of the Irion County Water Conservation District, P.O. Box 10, Mertzon, Texas, 76941.

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Financial Section

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IRION COUNTY WATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

EXHIBIT A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash on Deposit - Checking	\$ 1,090
Cash on Deposit - Money Market	172,500
Cash on Deposit - CD	116,256
Taxes Receivable, Net	1,453
Capital Assets:	
Vehicles, Net	8,000
Field Equipment, Net	6,373
Total Assets	305,672
LIABILITIES	
Accounts Payable	1,064
Credit Card Payable	226
Total Liabilities	1,290
NET POSITION	
Net Investment in Capital Assets	14,373
Unrestricted	290,009
Total Net Position	\$ 304,382

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

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IRION COUNTY WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT B-1

Net (Expense)
Revenue and
Changes in Net
Position

Primary Gov.
Governmental
Activities

Primary Government:

GOVERNMENTAL ACTIVITIES:

	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Field and Lab	\$ 37,406	\$ -	\$ -	\$ (37,406)
Payroll	68,187	-	-	(68,187)
Payroll Taxes	9,536	-	-	(9,536)
Professional	15,005	-	-	(15,005)
Office	12,958	-	-	(12,958)
Insurance	5,780	-	-	(5,780)
Vehicle	5,138	-	-	(5,138)
TOTAL PRIMARY GOVERNMENT	\$ 154,010	\$ -	\$ -	(154,010)

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	196,092
Current Penalty and Interest on Taxes	316
Interest Income	2,082

Total General Revenues 198,490

Change in Net Position 44,480

Net Position-- Beginning 259,902

Net Position - Ending \$ 304,382

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

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IRION COUNTY WATER CONSERVATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

EXHIBIT C-1

	General Fund
<hr/>	
ASSETS	
Cash on Deposit - Checking	\$ 1,090
Cash on Deposit - Money Market	172,500
Cash on Deposit - CD	116,256
Taxes Receivable	1,614
Allowance for Uncollectable Tax	(161)
	<hr/>
Total Assets	\$ 291,299
	<hr/> <hr/>
LIABILITIES	
Accounts Payable	\$ 1,064
Credit Card Payable	226
	<hr/>
Total Liabilities	1,290
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	1,453
	<hr/>
Total Deferred Inflows of Resources	1,453
	<hr/>
FUND BALANCE	
Fund Balance	288,556
	<hr/>
Total Fund Balance	288,556
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Total Liabilities, Deferred Inflows & Fund Balance	\$ 291,299
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The notes to the financial statements are an integral part of this statement.

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IRION COUNTY WATER CONSERVATION DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2020

Total Fund Balances - Governmental Funds	\$	288,556
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The net effect of including the beginning balances for capital assets (net of depreciation) is to increase net position.		12,151
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of including the 2020 capital outlays is to increase net position.		6,335
The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(4,113)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue. The net effect of these reclassifications and recognitions is to increase net position.		1,453
Net Position of Governmental Activities	\$	304,382

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

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IRION COUNTY WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT C-3

	General Fund
<hr/>	
REVENUES:	
Taxes:	
Current Property Taxes	\$ 195,446
Delinquent Property Tax	305
Current Penalty and Interest on Taxes	316
Interest Income Now	217
Interest Income CD	1,865
Total Revenues	<u>198,149</u>
EXPENDITURES:	
Current:	
Field and Lab	43,168
Payroll	68,187
Payroll Taxes	9,536
Professional	15,005
Office	11,877
Insurance	5,780
Vehicle	2,679
Total Expenditures	<u>156,232</u>
Net Change in Fund Balance	41,917
Fund Balance - October 1 (Beginning)	<u>246,639</u>
Fund Balance - September 30 (Ending)	<u><u>\$ 288,556</u></u>

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

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IRION COUNTY WATER CONSERVATION DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	41,917
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2020 capital outlays is to increase the change in net position.		6,335
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(4,113)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue. The net effect of these reclassifications and recognitions is to decrease the change in net position.		2,565
Change in Net Position of Governmental Activities	<u>\$</u>	<u>46,704</u>

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

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IRION COUNTY WATER CONSERVATION DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2020

	Custodial Fund
<hr/>	
ASSETS	
Cash on Deposit - WTRGM Alliance	\$ 22,480
Total Assets	22,480
LIABILITIES	
Agency Payable - WTRGM Alliance	20,510
Total Liabilities	20,510
NET POSITION	
Held for Participating Entities	1,970
Total Net Position	\$ 1,970

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

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IRION COUNTY WATER CONSERVATION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Custodial Fund
ADDITIONS:	
Alliance Receipts	\$ 39,695
Total Additions	39,695
DEDUCTIONS:	
Alliance Expenses	37,725
Total Deductions	37,725
Net Change in Fiduciary Net Position	1,970
Total Net Position - October 1 (Beginning)	-
Total Net Position - September 30 (Ending)	\$ 1,970

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

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IRION COUNTY WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General Statement

The Irion County Water Conservation District (the “District”) was created, organized, and exists by Acts of the 70th Legislature under and pursuant to Section 59 of Article XVI of the Texas Constitution and Chapter 36 of the Texas Water Code. The District was established August 28, 1985, for the purpose of conserving, preserving, protecting, recharging, and preventing waste of the water reservoirs located in Irion County, Texas through monitoring and protecting the quality of the groundwater. The District is governed by a five-member Board of Directors who are elected by its citizens.

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

B. Financial Reporting Entity

The District’s basic financial statements include the accounts of all District operations.

C. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the District.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The District has presented the following major governmental fund:

General Fund -

General Fund is the main operating fund of the District. This fund is used to account for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund.

Additionally, the District reports the following fund type:

Fiduciary Fund -

The Agency Fund accounts for the one fiduciary fund, and agency fund, for the benefit of the West Texas Regional Groundwater Management Alliance (WTRGMA). The District receives dues from WTRGMA members and makes authorized disbursement on behalf of WTRGMA. The agency fund is not reported in the District’s government-wide financial statements. At September 30, 2020, the District had funds held of \$22,480.37.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accountings*. Revenues are recorded when earned and expenses are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

IRION COUNTY WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

to pay liabilities of the current period. For this purpose, the government 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.

E. Budgetary Control

As set forth in the District charter, the District Board adopts an annual budget for the General Fund. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by that fund. Amendments are made to these budgets as needed throughout the year.

F. Cash and Cash Equivalents

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

G. Nature and Purpose of Reservations and Designations of Fund Equity

Net position flow assumption:

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

As of these financial statements, the District has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the District Charter, District Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by District Board ordinance or resolution. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned—Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by District Board.

Unassigned—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 13). Assigned funds are reduced to the extent that expenditure authority has been budgeted by Board or the assignment has been changed by the District Manager. Decreases to fund balance first reduce unassigned fund balance; in the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

General Fund

The General Fund has an unassigned fund balance of \$288,556.

H. Net Position

Net position represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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. Net position

IRION COUNTY WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

NOTE 2. DETAILED NOTES ON ALL FUNDS

Deposits

The cash and investment policies of the District are governed by state statutes and the adopted investment policy. These policies require that depositories be insured by the Federal Deposit Insurance Corporation (FDIC) and must fully collateralize all deposits in excess of FDIC insurance limits.

At September 30, 2020, the carrying amount of the District's deposits (Cash and MMAs) was \$312,326 and the bank balance was \$321,294. The District's deposits at September 30, 2020 and during the year then ended were covered by FDIC insurance.

The District's deposits are invested only in a money market account, and a short-term certificate of deposit and are not subject to any credit risk other than the risk noted above.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

Primary Government

Governmental-type activities:

	<u>Balance</u> <u>10/1/2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2020</u>
Capital assets being depreciated				
Autos	\$ 22,146	\$ -	\$ -	\$ 22,146
Office Furniture and Equipment	8,933			8,933
Field Equipment	9,050	6,335	-	15,385
Totals capital assets being depreciated	<u>\$ 40,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,464</u>
Less: Accumulated Depreciation				
Auto	\$ 11,687	\$ 2,458	\$ -	\$ 14,146
Office Equipment	7,852	1,082	-	8,933
Field Equipment	8,439	573		9,012
Total Accumulated Dep.	<u>\$ 27,978</u>	<u>\$ 4,113</u>	<u>\$ -</u>	<u>\$ 32,091</u>
Capital Assets, Net	<u>\$ 12,151</u>			<u>\$ 14,373</u>

NOTE 4. SELF INSURANCE

The District has entered into an interlocal participation agreement with the Texas Municipal League Joint Self-Insurance Fund (the Fund). The Fund is an unincorporated association of political subdivisions of the State of Texas that was created to provide property and liability coverage to its members pursuant to the provisions of Article 4413(32c), Texas Revised Civil Statutes Annotated. Coverage provided by the Fund may differ from member to

IRION COUNTY WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

member based on the nature of the risk to be covered. The District made contributions to the Fund based upon rates approved by the Board of Trustees of the Fund. Contributions are adjusted annually based upon the District's loss experience. The District's participation is on a nonassessable basis. The District has no joint and several liability other than the maximum annual contribution required to be paid into the Fund; however, this contribution may include surcharges specifically related to the District's loss experience. The District's participation in the Fund provides property and general liability coverage, errors and omissions coverage and automobile liability coverage.

NOTE 5. IRION COUNTY WATER CONSERVATION DISTRICT INTERLOCAL AGREEMENT

As authorized by the Board of Directors, the District has agreed to share the services of a manager and a consulting manager with the Irion County Water Conservation District (ICWCD). This agreement calls for the District to pay the salaries and other shared expenditures and ICWCD will reimburse for 50% of the salary, taxes, retirement, and insurance. The total amount received on this agreement was \$32,554.

NOTE 6. SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 26, 2021, the date which the financial statements were available to be issued.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

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IRION COUNTY WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Current Property Taxes	\$ 174,735	\$ 174,735	\$ 195,446	\$ 20,711
Delinquent Property Tax	500	500	305	(195)
Current Penalty and Interest on Taxes	500	500	316	(184)
Interest Income Now	500	500	217	(283)
Interest Income CD	-	-	1,865	1,865
Donor Scholarships	1,000	1,000	-	(1,000)
Total Revenues	177,235	177,235	198,149	20,914
EXPENDITURES:				
Current:				
Field and Lab	31,415	41,165	43,168	(2,003)
Payroll	85,700	85,700	68,187	17,513
Payroll Taxes	10,600	10,600	9,536	1,064
Professional	32,350	32,350	15,005	17,345
Office	14,050	14,050	11,877	2,173
Insurance	6,700	6,700	5,780	920
Vehicle	8,500	8,500	2,679	5,821
Total Expenditures	189,315	199,065	156,232	42,833
Net Change	(12,080)	(21,830)	41,917	63,747
Fund Balance - October 1 (Beginning)	246,639	246,639	246,639	-
Fund Balance - September 30 (Ending)	\$ 234,559	\$ 224,809	\$ 288,556	\$ 63,747

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

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IRION COUNTY WATER CONSERVATION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020

NOTE I BUDGETS AND BUDGETARY ACCOUNTING

The Board adopts an Annual Budget no later than the meeting of September of each year for the fiscal year commencing the following October 1st. The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. During August of each year, the District Manager submits to the Board a proposed operating budget for the next following fiscal year. The operating budget includes proposed revenues and expenditures.
2. After a review by the Board, a public hearing is conducted and further comment is received from the Board and the general public.
3. Upon completion of the hearings and modifications, if any, to the proposed budget, it is adopted by the Board through passage of an appropriate resolution.
4. Generally, the budget is amended in the middle of the year and at the end of the year. All approved additional appropriations are added to the adopted budget and an amended budget is presented to the Board, which adopts it after due review.
5. The District Manager is authorized to transfer, from time to time, budget amounts of operational expenditure categories within departments as deemed necessary in order to meet the District's needs.
6. Board approval is required for all fund to fund transfers, department to department transfers, fund reserve to appropriations transfers, for new revenue sources with offsetting appropriations, and for transfer to/from the capital expenditure category.