

**POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2023**



# POST OAK SAVANNAH GROUNDWATER DISTRICT

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

	<u>Page</u>
Table of Contents	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-7
<b>FINANCIAL SECTION</b>	
Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Net Position	11
Statement of Cash Flows	12
Notes to the Financial Statements	13-24
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Statement - Enterprise Fund	26
Schedule of Changes in Net Pension Liability and Related Ratios	27
Schedule of Employer Contributions	28
Notes to the Required Schedule - Texas County & District Retirement System	29-30

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Post Oak Savannah Groundwater Conservation District  
P. O. Box 92  
310 East Avenue C  
Milano, Texas 76556

### Opinions

We have audited the accompanying financial statements of the business-type activities of the Post Oak Savannah Groundwater Conservation District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Post Oak Savannah Groundwater Conservation District, as of December 31, 2023, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Post Oak Savannah Groundwater Conservation District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.


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

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Enterprise Fund Water Programs & Transport Fund, Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of the District's Contributions for Pensions, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide an assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

  
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Ede & Company, LLC  
Certified Public Accountants  
Uvalde, Texas

August 8, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the Post Oak Savannah Groundwater District's (the District) annual report, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the audited financial statements and accompanying notes that follow this section.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position was \$5,192,802.52 at December 31, 2023.
- During the year, the District's expenses were \$678,570.64 more than the \$4,174,631.16 generated in service fees and other revenues.
- The total cost of the District's programs was virtually unchanged from last year, and no new programs were added this year.
- The District's net position decreased \$678,570.64 which represents a 11.6 percent decrease from 2022.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: Management's Discussion and Analysis, the Basic Financial Statements, and Required Supplementary Information. The required financial statements are the Statement of Net Position at December 31, 2023; the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds for the fiscal year ended December 31, 2023; and the Statement of Cash Flows – Proprietary Funds for the fiscal year ended December 31, 2023.

The financial statements also include comprehensive notes which summarize the official accounting policies of the District. The financial statements, except for the cash flow statement, are prepared using the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments. The cash flow statement is an exception because that statement shows the receipt and payment of cash for operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

#### **Required Financial Statements**

The financial statements of the District report information about the District using accounting methods similar to those used by companies in the private sector. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all the District's assets and liabilities. The statement also provides information about the nature and amounts of investments in assets and obligations to District creditors as liabilities. The statement also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All of the current fiscal year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the District's operations over the past fiscal year and can be used to determine whether the District has successfully recovered all of its costs through its fees, and other charges. The District's net position and credit worthiness can also be determined from this statement.

The primary purpose of the Statement of Cash Flows is to provide information about the District's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It explains where cash came from, cash usage, and the change in the cash balance during the reporting period.

### **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Has the financial condition of the District improved or deteriorated as a result of this year's operations? The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position attempts to answer this question. Net position may be a useful indicator over time as to the District's financial position. But there may be other non-economic factors that could cause a change in the District's financial situation.

## Statement of Net Position

The District's net position was \$5,192.8 thousand at December 31, 2023 (See Table A-1.) A portion of the District's net position (approximately 13.1%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment), less accumulated depreciation. By far the largest portion of the County's net position (approximately 86.9%) is the remaining balance of unrestricted net position which may be used to meet the District's ongoing obligations to citizens and creditors.

**Table A-1**  
Post Oak Savannah Groundwater Conservation District  
(in thousands dollars)

	Enterprise Funds		Total Percentage Change
	2023	2022	2023 - 2022
Current Assets:			
Cash and Cash Equivalents	\$ 5,280.4	\$ 5,901.6	-10.5%
Receivables	430.4	301.4	42.8%
Total Current Assets	5,710.8	6,203.0	-7.9%
Noncurrent Assets:			
Net Pension Asset	43.4	134.1	-67.6%
Capital Assets (net)	656.1	682.5	-3.9%
Total Noncurrent Assets	699.5	816.6	-14.3%
Total Assets	6,410.3	7,019.6	-8.7%
Deferred Outflows of Resources			
Deferred Outflow - Pensions	81.5	56.0	45.5%
Total Deferred Outflows of Resources	81.5	56.0	45.5%
Current Liabilities:			
Accounts Payable	834.6	719.2	16.0%
Accrued Payroll Liabilities	-	1.0	-100.0%
Deferred Revenue	414.7	338.2	22.6%
Total Current Liabilities	1,249.3	1,058.4	18.0%
Noncurrent Liabilities			
Compensated Absences	9.9	10.5	-5.7%
Exempt Well Permit Deposits	30.8	36.3	-15.2%
Lease Liability	2.6	5.0	-48.0%
Total Noncurrent Liabilities	43.3	51.8	-16.4%
Total Liabilities	1,292.6	1,110.2	16.4%
Deferred Inflows of Resources			
Deferred Inflow - Pensions	6.4	94.0	-93.2%
Total Deferred Inflows of Resources	6.4	94.0	100.0%
Net Position			
Invested in capital assets	682.5	682.5	0.0%
Unrestricted	4,510.3	5,188.9	-13.1%
Total Net Position	\$ 5,192.8	\$ 5,871.4	-11.6%

## Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position provides information on the nature and source of assets represented on the Statement of Net Position. It also shows that the expenses exceed revenues by \$678,571. Ending net position totaled \$5,192,803. The Statement of Revenues, Expenses, and Changes in Net Position lists the

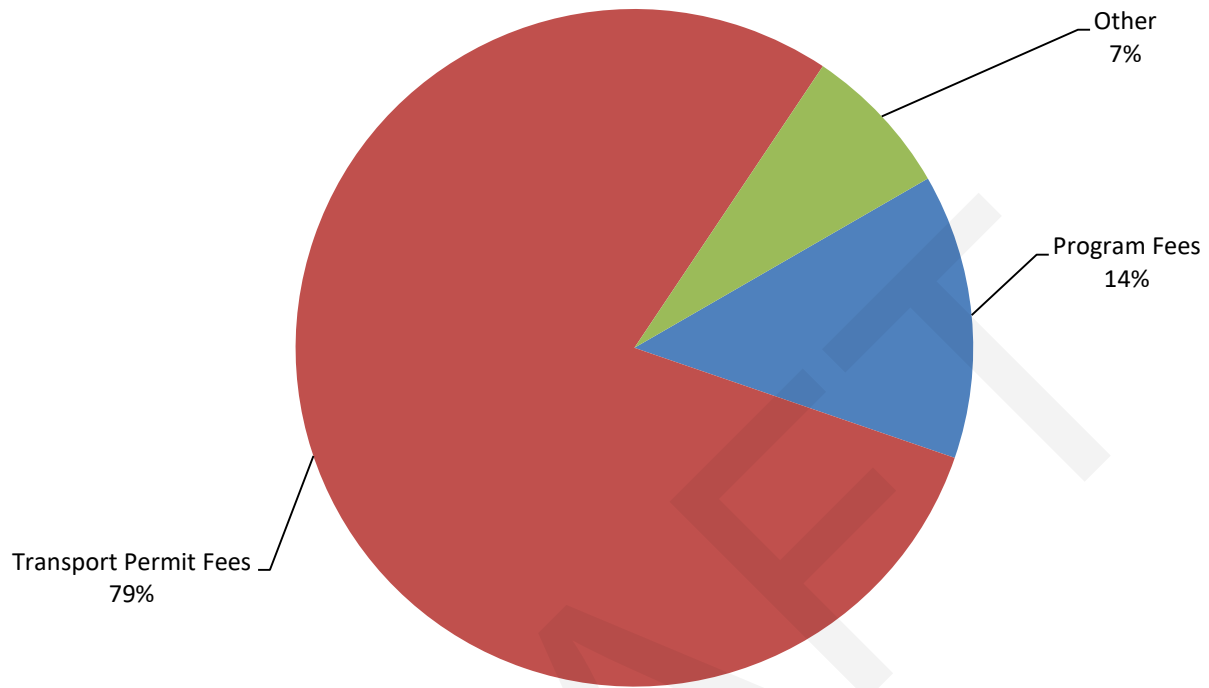
operating revenues and the non-operating revenues together and compares them to the operating and non-operating expenses. Table A-2 depicts total revenues and total expenses and the resulting changes in net position.

**Table A-2**  
Changes in Post Oak Savannah Groundwater Conservation District's Net Position  
(In thousands dollars)

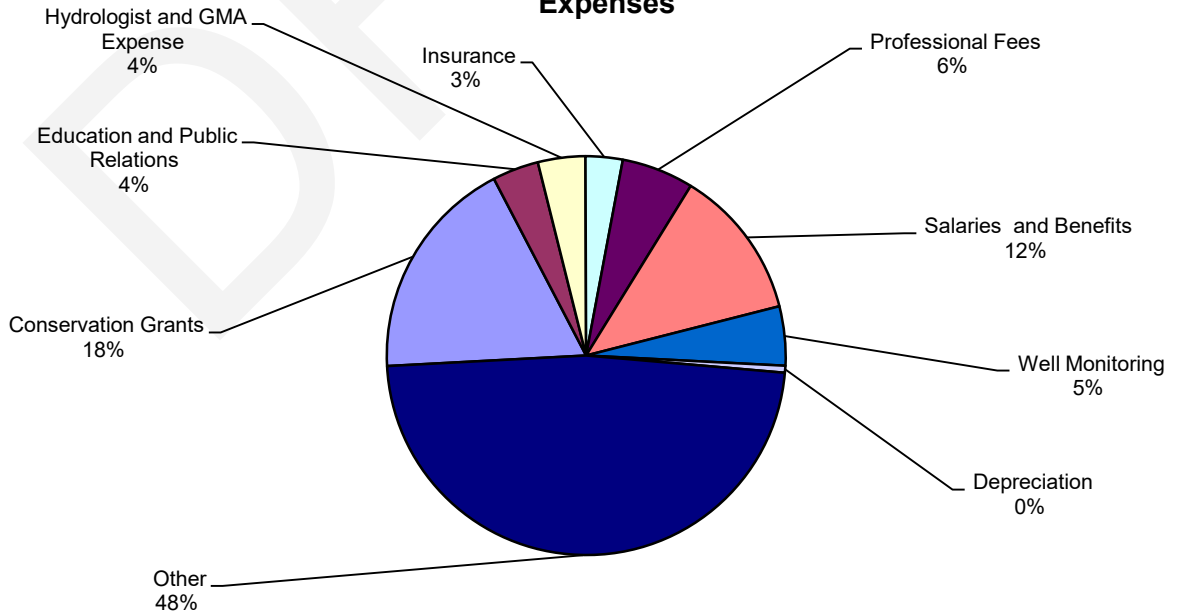
	Enterprise Fund		Total Percentage Change
	2023	2022	2023-2022
Operating Revenues			
Program Fees	\$ 567.9	\$ 525.7	8.0%
Transport Permit Fees	3,302.6	3,302.4	0.0%
Other	176.5	188.6	-6.4%
Non Operating Revenues	127.6	29.5	332.5%
Total Revenue	4,174.6	4,046.2	3.2%
Operating Expenses			
Conservation Grants	883.0	2,186.0	-59.6%
Education and Public Relations	181.5	64.2	182.7%
Hydrologist and GMA Expense	187.1	195.0	-4.1%
Insurance	145.1	111.4	30.3%
Professional Fees	283.1	140.0	102.2%
Salaries & Benefits	594.1	521.2	14.0%
Well Monitoring	232.7	208.9	11.4%
Depreciation	26.4	64.5	-59.1%
Other	2,320.2	142.0	1533.9%
Total Expense	4,853.2	3,633.2	33.6%
Increase (Decrease) in Net Position	(678.6)	413.0	-264.3%
Net Position Beginning of Year	5,871.4	5,458.4	7.6%
Net Position End of Year	5,192.8	5,871.4	-11.6%



## 2023 Revenue Sources



## 2023 Expenses



## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

### Enterprise Fund Budgetary Highlights

The District amended its original budget during the year however, Actual expenditures were \$3,091,195.20 below final budget amounts. Resources available were \$619,897.58 more than the final budgeted amount.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2023, the District had invested \$1,090.5 thousand in a broad range of capital assets, including wells, equipment, and vehicles. (See Table A-4.)

**Table A-4**  
District's Capital Assets  
(in thousands of dollars)

	Governmental Activities		Percentage
	2023	2022	Change 2023-2022
Land	\$ 119.2	\$ 119.2	0.0%
District Vehicles	123.3	123.3	0.0%
Monitoring Wells & Equipment	408.0	408.0	0.0%
Office Equipment	91.1	91.1	0.0%
Office Buildings	348.9	348.9	0.0%
Total Accumulated Depreciation	(434.4)	(408.0)	6.5%
Net Capital Assets	<u>\$ 656.1</u>	<u>\$ 682.5</u>	<u>-3.9%</u>

### Long-Term Debt

At December 31, 2023, the District had the following long-term debt:

Compensated Absences	\$9,948.00
Exempt Well Permit Deposits	30,785.05
Lease Liability	2,618.79

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Program Fees and Transport Fees will increase slightly in 2024.

These indicators were taken into account when adopting the enterprise fund budget for 2024. The adopted enterprise fund budgeted expenses will increase slightly in 2024 to \$8,543,077.00. Budgeted revenues for 2024 will be \$4,771,074.28, with the difference between budgeted revenues and expenses coming from the districts net position.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Office at 310 E. Avenue C, P. O. Box 92, Milano, TX 76556.

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## Financial Section

**Post Oak Savannah Groundwater Conservation District**  
**Statement of Net Position**  
**December 31, 2023**

	Enterprise Fund Water Programs & Transport Fund
<hr/>	
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalent	\$ 5,280,443.66
Receivables - Program	430,441.37
Total Current Assets	<hr/> 5,710,885.03 <hr/>
<b>NONCURRENT ASSETS</b>	
Net Pension Asset	43,381.00
Capital Assets:	
Capital Assets Not Being Depreciated	119,160.18
Capital Assets Being Depreciated, Net of Accumulated Depreciation	536,874.23
Total Capital Assets, Net	<hr/> 656,034.41 <hr/>
Total Noncurrent Assets	699,415.41
Total Assets	<hr/> 6,410,300.44 <hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Pension	81,546.49
Total Deferred Outflows of Resources	<hr/> 81,546.49 <hr/>
<hr/>	
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	834,562.26
Deferred Revenue - Transport & Production Fees	414,739.31
Total Current Liabilities	<hr/> 1,249,301.57 <hr/>
<b>NONCURRENT LIABILITIES</b>	
Compensated Absences	9,948.00
Exempt Well Permit Deposits	30,785.05
Lease Liability	2,618.79
Total Noncurrent Liabilities	<hr/> 43,351.84 <hr/>
Total Liabilities	<hr/> 1,292,653.41 <hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows - Pension	6,391.00
Total Deferred Inflows of Resources	<hr/> 6,391.00 <hr/>
<b>NET POSITION</b>	
Net Investment in Capital Assets	682,474.33
Unrestricted Net Position	4,510,328.19
Total net position	<hr/> \$ 5,192,802.52 <hr/>

The accompanying notes are an integral part of this statement.

**Post Oak Savannah Groundwater Conservation District**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**For the Year Ended December 31, 2023**

	Enterprise Fund Water Programs & Transport Fund
<b>OPERATING REVENUES</b>	
Program Fees	\$ 567,909.49
Transport Permit Fees	3,302,636.12
Drilling Permit Fees	-
Miscellaneous Income	6,889.57
GWAP Reimbursements	85,495.57
Grant Income	58,566.06
Permit Fees Other	25,549.83
Total Operating Revenue	<u>4,047,046.64</u>
<b>OPERATING EXPENSES</b>	
Conservation Grants	883,026.95
Advertising	13,348.93
Education and Public Relations	181,464.92
Hydrologist and GMA Expense	187,143.01
Vehicle Expense	17,939.67
Dues and Subscriptions	14,133.65
Insurance	145,145.22
Postage & Delivery	9,765.44
Professional Fees	283,107.60
Repairs	3,875.34
Telephone	21,401.43
Travel	27,850.91
Utilities	5,819.48
Office Supplies	38,584.86
Salaries and Benefits	594,134.77
Well Monitoring Expense	232,672.61
Well Assistance Program	356,179.29
Rainwater Harvesting Programs	32,870.12
Advanced Aquifer Improvements/Brush Control	301,837.37
Environmental Collaborative Work With Counties	249,999.92
Engineer and Architect Fees	243,084.23
Aquifer Conservancy Program	962,342.66
Miscellaneous Expense	21,033.50
Depreciation Expense	26,439.92
Total Operating Expense	<u>4,853,201.80</u>
Operating Income (Loss)	<u>(806,155.16)</u>
<b>NON OPERATING REVENUE (EXPENSE)</b>	
Interest Income	127,584.52
Total Non Operating Revenue (Expenses)	<u>127,584.52</u>
<b>CHANGE IN NET POSITION</b>	(678,570.64)
<b>NET POSITION BEGINNING OF YEAR</b>	5,871,373.16
<b>NET POSITION END OF YEAR</b>	<u>\$ 5,192,802.52</u>

The accompanying notes are an integral part of this statement.

**Post Oak Savannah Groundwater Conservation District**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2023**

	Enterprise Fund Water Programs & Transport Fund
<b>Cash Flows From Operating Activities:</b>	
Cash Received From Customers	\$ 3,988,723.04
Cash Payments to Suppliers	(4,094,371.06)
Cash Payments to Employees	(641,099.29)
<b>Net Cash Provided (used) By Operating Activities</b>	<u>(746,747.31)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Acquisition and Construction of Capital Assets	-
<b>Net Cash Provided (used) By Capital and Related Financing Activities:</b>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>	
Cash Provided By Long-Term Borrowing	-
Cash Paid to Retire Long-Term Debt	(2,343.06)
Interest Received	127,584.52
<b>Net Cash Provided (used) By Investing Activities</b>	<u>125,241.46</u>
Net Increase (decrease) In Cash and Cash Equivalents	(621,505.85)
Cash and Cash Equivalents at Beginning of Year	5,901,949.51
Cash and Cash Equivalents at End of Year	<u>\$ 5,280,443.66</u>
<b><u>Reconciliation of Operating Income (loss) To Net Cash Provided (used) By Operating Activities:</u></b>	
Operating Income (loss)	\$ (806,155.16)
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided (used) by Operating Activities	
Depreciation Expense	26,439.92
(Increase) Decrease in Accounts Receivable	(129,061.88)
Increase (Decrease) in Pension Asset	90,763.00
Increase (Decrease) in Deferred Outflows - Pension	(25,569.49)
Increase (Decrease) in Accounts Payable	115,323.24
Increase (Decrease) in Deferred Revenue	76,538.28
Increase (Decrease) in Well Permits	(5,800.00)
Increase (Decrease) in Compensate Absences	(598.94)
Increase (Decrease) in Payroll Liabilities	(998.28)
Increase (Decrease) in Deferred Inflow- Pension	(87,628.00)
<b>Net Cash Provided (used) by Operating Activities</b>	<u>\$ (746,747.31)</u>

The accompanying notes are an integral part of this statement.

# **Post Oak Savannah Groundwater Conservation District**

## **Notes to the Financial Statements**

### **For the Year Ended December 31, 2023**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Reporting Entity**

Post Oak Savannah Groundwater Conservation District (the District) was formed on April 20, 2001, by the 77th Legislature of the State of Texas, with House Bill 1784, Article III, Section 3.01, under Section 59, Article XVI, of the Texas Constitution. Upon recodification by the 84th Texas Legislature, while the former is still true, enabling legislations are now (Texas Codes, Special District local laws code, Title 6, Subtitle H, Chapter 8865). A ten-member Board of Directors appointed by the Burleson and Milam County Commissioners governs the District; each Commissioners Court appoints five directors and must represent various interests in the counties served by the District. Among its duties, the Board of Directors approves the District's budget, grant contracts, any permits, sets rates for permits and fees, and has other duties as addressed during Board Meetings.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities, and monitoring stations necessary for groundwater conservation with respect to the aquifers within the district boundaries. The District provides financial assistance in the form of grants (if funds are available) and educational resources to public and private entities to promote, manage and educate regarding the groundwater resources of the central Carrizo-Wilcox Aquifer area.

In evaluating how to define the District for reporting purposes, The Board of Directors of the District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility; the most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management and the significant ability to influence operations of accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion, or exclusion, from the reporting entity is the existence of special financing relationships, regardless of whether the District may exercise oversight responsibilities. Based upon the application of these criteria, there are no other entities which were included as a component unit in the District's financial statements.

##### **B. Basic Financial Statements – Fund Financial Statements**

The financial statements of the District are reported in the proprietary fund financial statements. The fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, net position, revenues and expenses.

##### **Proprietary Fund**

The focus of proprietary fund measurement is on the determination of operating income, changes in net position, financial position, and cash flows. The generally accounting principles applicable are those similar to businesses in the private sector. The following briefly describes the purpose of proprietary fund.

Proprietary fund is required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues.

##### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The proprietary fund 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 soon as all eligibility requirements imposed by the grantor have been met.

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



# **Post Oak Savannah Groundwater Conservation District**

## **Notes to the Financial Statements**

### **For the Year Ended December 31, 2023**

proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are charges to customers for sales and services. Operating expenses include the costs 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.

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

#### **D. Assets, Liabilities and Net Position**

##### **1. Cash and Cash Equivalents**

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

##### **2. Receivables**

Service accounts receivable, as reported, are considered collectable. The District uses the direct write-off method for uncollectible accounts. Unbilled fee and permit revenues are not material and are not recorded at year end.

##### **3. Capital Assets**

Capital assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. Furniture and fixture assets with a cost of \$500 or more and a useful life greater than three years will be capitalized. All other assets with a cost of \$10,000 or more and a useful life greater than three years will be capitalized. The cost 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 proprietary fund is included as part of the capitalized value of the assets constructed. There was no interest capitalized during the year.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Vehicle	5 years
Office and Field Equipment	3-10 years
Buildings, Improvements and Monitoring Equipment	5-40 years

##### **4. Net Position**

Net position represents the difference between assets and liabilities. Proprietary fund net position are divided into three components:

- Net investment in capital assets – consist of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets and adding back unspent proceeds.
- Restricted net position – consist of net position that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position are reported in this category.

# **Post Oak Savannah Groundwater Conservation District**

## **Notes to the Financial Statements**

### **For the Year Ended December 31, 2023**

#### **5. Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the use of estimates by management that affect reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### **6. Deferred Outflows/Inflow or Resources**

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

- Deferred outflows related to pensions for employer contributions made after the measurement date of the net pension liability.
- Deferred outflows related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans.
- Deferred outflows related to pensions resulting from the changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans.
- Deferred outflows related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.

In addition to liabilities, the statement of financial position 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) until that time. The District the following items that qualify for reporting in this category:

- Deferred inflows related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans.
- Deferred inflows related to pensions resulting from the changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans.
- Deferred inflows related to changes in the proportion and differences between employer contributions and proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans.

#### **7. Budgets**

The Board adopted an annual budget for the Enterprise Fund on the basis consistent with generally accepted accounting principles. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. At the end of the year the District had the following encumbrances outstanding:

# Post Oak Savannah Groundwater Conservation District

## Notes to the Financial Statements

### For the Year Ended December 31, 2023

Monitoring Programs	\$ 72,918.00
Well Assistance Program's	172,925.00
Conservation Programs	1,773,515.00
Advanced Aquifer Improvements	161,096.00
Future Special Projects	449,500.00
New Property and Building	256,916.00
Aquifer Conservancy Program	525,819.00
Total	<u>\$ 3,412,689.00</u>

#### NOTE 2 – DEPOSITS, SECURITIES AND INVESTMENTS

The investment policies of the District are governed by State statute and an adopted District Investment Policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's Investment Policy include: depositories must be FDIC-insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; securities collateralizing time deposits are held by independent third-party trustees.

**Cash** – At year end, deposits were held by the District's depository bank in accounts that were secured at the balance sheet date by Federal Deposit Insurance Corporation (FDIC) coverage or by pledged collateral held by the District's agent bank in the District's name.

**Investments** - The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, (1) obligations of the US Treasury, certain US Agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments at year end are shown below.

<u>Investment Type</u>	<u>Fair Value Level</u>	<u>Fair Value</u>	<u>Maturities</u>	<u>Credit Rating</u>
Certificates of Deposit	2	2,643,834.12	N/A	N/A
TexPool	1	39,047.59	37 days	AAA
Total		<u>\$ 2,682,881.71</u>		

# **Post Oak Savannah Groundwater Conservation District**

## **Notes to the Financial Statements**

### **For the Year Ended December 31, 2023**

**Analysis of Specific Cash and Investment Risks** – GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and, if so, the reporting of certain related disclosures.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

At year end, the District's investments, other than those which are obligations of or guaranteed by the US Government, are rated as to credit quality as detailed above.

**Custodial Credit Risk** – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterpart or the counterpart's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

**Concentration of Credit Risk** – This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

**Interest Rate Risk** – This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

**Foreign Currency Risk** – This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk. **Investment Accounting Policy** – The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

# Post Oak Savannah Groundwater Conservation District

## Notes to the Financial Statements

### For the Year Ended December 31, 2023

#### NOTE 3 – CAPITAL ASSET ACTIVITY

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

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Capital assets not being depreciated:</i>				
Land	\$ 119,160		\$ -	\$ 119,160
Total capital assets not being depreciated	3,225	-	-	119,160
<i>Capital assets being depreciated:</i>				
District Vehicles	123,303	-	-	123,303
Monitor Wells & Equipment	407,983	-	-	407,983
Office Equipment *	91,072	-	-	91,072
Office Building	348,932	-	-	348,932
Total capital assets being depreciated	971,289	-	-	971,289
Less accumulated depreciation for:				
District Vehicles	104,134		-	104,134
Monitor Wells & Equipment	170,892	22,162	-	193,054
Office Equipment	72,679	4,278	-	76,957
Office Building	60,271		-	60,271
Total accumulated depreciation	407,975	26,440	-	434,415
Total capital assets being depreciated, net	620,600	(26,440)	-	536,874
Total capital assets	\$ 623,825	\$ (26,440)	\$ -	\$ 656,034

\* Beginning balances restated due to the implementation of GASB 87

#### NOTE 4 – RIGHT TO USE LEASE LIABILITY

The District leases a photocopy machine with 60-month terms. Payments of \$205 are made monthly which consist of principal and imputed annual interest of 3.0%.

No assets were pledged as collateral for these leases.

A summary of Right-to-Use Lease arrangements for the year ended December 31, 2023, is as follows.

Description	Date of Origination	Discount Rate	Current Year Interest	Principal Balance at 1/1/2022	New Lease Agreements	Principal Paid This Year	Principal Balance at 12/31/2023	Due Within One Year
Copy Machines	1/14/2020	3.0%	117	4,962	-	2,343	2,619	2,414
			\$ 117	\$ 4,962	\$ -	\$ 2,343	\$ 2,619	\$ 2,414

\* Beginning balances restated due to the implementation of GASB 87

Future principal and interest payments due to maturity as of the end of the fiscal year are as follows:

Year Ending December 31	Principal	Interest	Total Requirements
2024	2,414	46	2,460
2025	204	1	205
Totals	\$ 2,618	\$ 46	\$ 2,665

**Post Oak Savannah Groundwater Conservation District**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

**NOTE 5 – PENSION PLAN OBLIGATIONS**

**Plan Description.**

Post Oak Savannah Groundwater Conservation District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional agent multiemployer defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The TCDRS Board of Trustees is responsible for the administration of the statewide agent multiemployer public employee retirement system consisting of more than 830 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report on a calendar year basis, which is available online at [www.tcdrs.org](http://www.tcdrs.org) or upon written request from the Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

**Benefits Provided**

The plan provisions are adopted by Board of Directors of the District, within the options available in the state statutes governing TCDRS (“TCDRS Act”). Members can retire at ages 60 and above with eight or more years of service, with 30 years of service regardless of age, when the sum of their age and years of service equals 80 or more, or if they become disabled. Members are vested after combined 10 years of employment with any organization(s) with an accredited plan (not just the District) 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 the District. 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 Board of Directors of the District, 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. By law, employee accounts earn 7% interest. 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. The District’s current match is 100%

**Employees Covered by Benefit Terms**

At the measurement date, the following employees were covered by the benefit terms of the Post Oak Savannah Groundwater Conservation District plan:

# Post Oak Savannah Groundwater Conservation District

## Notes to the Financial Statements

### For the Year Ended December 31, 2023

#### **Membership Information**

Members	Dec.31,2021	Dec.31,2022
Number of inactive employees entitled to but not yet receiving benefits:	3	5
Number of active employees:	7	7
Average monthly salary*:	\$ 4,860	\$ 5,278
Average age*:	51.3	50.11
Average length of service in years*:	7.39	4.37
<b>Inactive Employees (or their Beneficiaries) Receiving Benefits</b>		
Number of benefit recipients:	0	0
Average monthly benefit:	\$0	\$0

\*Averages reported for all active and inactive employees.

#### **Contributions**

The District has elected the annually determined contribution rate (variable-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 employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 5.2% for the months of the accounting year in 2023. The deposit rate payable by the employee members for calendar year 2023 is the rate of 7.0% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

#### **Actuarial assumptions:**

For the District's fiscal year ending December 31, 2023, the net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

#### **TCDRS system-wide economic assumptions:**

Real rate of return	5.0% per year
Inflation	2.50% per year
Long-term investment return	7.5%

#### **Employer-specific economic assumptions:**

Growth in membership	0.00%
Payroll growth for funding calculations	0.00%

The payroll growth assumption is for the aggregate covered payroll of an employer.

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 2023 information for a 10 year time

# Post Oak Savannah Groundwater Conservation District

## Notes to the Financial Statements

### For the Year Ended December 31, 2023

horizon and are re-assessed at a minimum of every four years, and is set based on a long-term time horizon; the most recent analysis was performed in 2021 and reviewed annually for continued compliance with relevant standards of practice. The following target asset allocation was adopted by the TCDRS board in March 2023.

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return <sup>(2)</sup>
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index(3)	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global	2.00%	4.15%
REIT (net) Index			
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index(4)	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity Venture	25.00%	7.95%
Capital Index(5)			
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

(1) Target asset allocation adopted at the March 2021 TCDRS Board meeting.

(2) Geometric Real rates of return equal the expected return minus the assumed inflation rate of 2.30%, per Cliffwater's 2032 capital market assumptions.

(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

### 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 contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate <sup>(1)</sup>	7.60%
Long-term expected rate of return, net of investment expense <sup>(1)</sup>	7.60%
Municipal bond rate <sup>(2)</sup>	Does not apply

<sup>1</sup> This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus a 0.10% adjustment to be gross of administrative expenses as required by GASB 68.

<sup>2</sup> The Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return and the municipal bond rate does not apply.



# Post Oak Savannah Groundwater Conservation District

## Notes to the Financial Statements

### For the Year Ended December 31, 2023

#### Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2021	\$ 672,284	\$ 806,428	\$ (134,144)
Changes for the year:			
Service cost	49,220	-	49,220
Interest on total pension liability	54,834	-	54,834
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	3,343	-	3,343
Effect of assumptions changes or inputs	-	-	-
Refund of Contributions	-	-	-
Benefit payments	-	-	-
Administrative expenses		(482)	482
Member contributions		34,612	(34,612)
Net investment income		(52,422)	52,422
Employer contributions		25,754	(25,754)
Other	-	9,173	(9,173)
Balances as of December 31, 2022	\$ 779,681	\$ 823,063	\$ (43,382)

#### 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 net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.6%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 900,466	\$ 779,682	\$ 682,399
Fiduciary net position	823,063	823,063	823,063
Net pension liability/(Asset)	\$ 77,403	\$ (43,381)	\$ (140,664)

#### 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.org](http://www/tcdrs.org).

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

For the current year, the District recognized pension expense of \$(4,839).

# Post Oak Savannah Groundwater Conservation District

## Notes to the Financial Statements

### For the Year Ended December 31, 2023

As of December 31, 2022, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 5,019	\$ 5,460
Changes in assumptions	1,372	22,169
Net difference between projected and actual earnings	-	25,958
Contributions made subsequent to measurement date	N/A	27,959
Total	\$ 6,391	\$ 81,546

Amounts currently reported 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:

Year ended December 31:

2023	(464)
2024	6,525
2025	8,721
2026	27,119
2027	3,906
Thereafter	1,389

#### NOTE 6 – COMPENSATED ABSENCES

##### Vacation Leave

Annual leave (vacation) is a benefit provided to eligible, full-time, employees of the District. A full-time employee is one who is regularly scheduled to work forty hours per week. Annual leave is awarded at five business days (40 hours) after six months of employment and cannot be taken until the employee has reached the six-month probationary period. An additional five business days (40 hours) is awarded after continuous employment of one year based on the hire date of the employee. The award maximum is fifteen business days (120 hours) for an employee after five years of continuous service. An employee may not carry-over annual leave to the next available period. Remaining leave is paid if unused before their anniversary date, or upon termination. Compensated absences accrual at fiscal year-end was \$10,546.94 and reported as a liability in these financial statements.

##### Sick Leave

A full-time employee, as previously defined, is entitled to six business days (48 hours) per calendar year. Accrual of sick leave is at one-half day (4 hours) per month and cannot be used until after six months of continuous employment. No sick leave may be accumulated beyond six days (48 hours) in a calendar year and upon separation from employment; no unused sick leave will be paid. Unused sick leave at fiscal yearend was not material to these financial statements.

#### NOTE 7 – ECONOMIC DEPENDENCE

Transport Permit Fees and Program Fees make up 95.28% of all revenue for the District. Three entities (SLR Property, LP, Blue Water System LP & Vista Ridge LLC) comprise 99.32% of Transport Permit Fees and 93.34% of the Program Fees. These three entities comprise 95.3% of all revenue. These entities are under contract for these fees as outlined in the District fee schedule.

**Post Oak Savannah Groundwater Conservation District**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

**NOTE 8 –SUBSEQUENT EVENTS**

Management has evaluated subsequent events through July 31, 2023; the date the financial statements were available to be issued.

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## Required Supplementary Information

# Post Oak Savannah Groundwater Conservation District

## Enterprise Fund

### Budgetary Comparison Schedule

For the Year Ended December 31, 2023

	Actual	Original Budget	Final Amended Budget	Variance Positive (Negative)
<b>OPERATING REVENUES</b>				
Program Fees	\$ 567,909.49	\$ 539,663.00	\$ 539,663.00	\$ 28,246.49
Transport Permit Fees	3,302,636.12	2,710,272.00	2,710,272.00	592,364.12
Drilling Permit Fees	-	-	-	-
Miscellaneous Income	6,889.57	3,000.00	3,000.00	3,889.57
GWAP Reimbursements	85,495.57	115,648.00	115,648.00	(30,152.43)
Grant Income	58,566.06	-	-	
Permit Fees Other	25,549.83	-	-	25,549.83
Total Operating Revenue	<u>4,047,046.64</u>	<u>3,368,583.00</u>	<u>3,368,583.00</u>	<u>619,897.58</u>
<b>OPERATING EXPENSES</b>				
Conservation Grants	883,026.95	2,656,541.00	2,656,541.00	1,773,514.05
Advertising	13,348.93	14,000.00	14,000.00	651.07
Education and Public Relations	181,464.92	172,387.00	172,387.00	(9,077.92)
Hydrologist and GMA Expense	187,143.01	154,000.00	154,000.00	(33,143.01)
Vehicle Expense	17,939.67	18,000.00	18,000.00	60.33
Dues and Subscriptions	14,133.65	14,000.00	14,000.00	(133.65)
Insurance	145,145.22	114,500.00	114,500.00	(30,645.22)
Postage & Delivery	9,765.44	10,000.00	10,000.00	234.56
Professional Fees	283,107.60	155,000.00	155,000.00	(128,107.60)
Repairs	3,875.34	10,000.00	10,000.00	6,124.66
Telephone	21,401.43	16,000.00	16,000.00	(5,401.43)
Travel	27,850.91	19,000.00	19,000.00	(8,850.91)
Utilities	5,819.48	8,000.00	8,000.00	2,180.52
Office Supplies	38,584.86	30,000.00	30,000.00	(8,584.86)
Salaries and Benefits	594,134.77	573,051.00	582,651.00	(11,483.77)
Well Monitoring Expense	232,672.61	271,114.00	271,114.00	38,441.39
Well Assistance Program	356,179.29	529,104.00	529,104.00	172,924.71
Rainwater Harvesting Programs	32,870.12	30,000.00	30,000.00	(2,870.12)
Advanced Aquifer Improvements/Brush Control	301,837.37	445,964.00	445,964.00	144,126.63
Environmental Collaborative Work With Counties	249,999.92	250,000.00	250,000.00	0.08
Engineer and Architect Fees	243,084.23	500,000.00	500,000.00	256,915.77
Aquifer Conservancy Program	962,342.66	1,498,736.00	1,498,736.00	536,393.34
Miscellaneous Expense	21,033.50	5,500.00	5,500.00	(15,533.50)
Future Special Projects		449,500.00	449,500.00	449,500.00
Depreciation Expense	26,439.92	-	-	(26,439.92)
Total Operating Expense	<u>4,853,201.80</u>	<u>7,944,397.00</u>	<u>7,953,997.00</u>	<u>3,100,795.20</u>
Operating Income (Loss)	(806,155.16)	(4,575,814.00)	(4,585,414.00)	3,720,692.78
<b>NON OPERATING REVENUE (EXPENSE)</b>				
Interest Income	127,584.52	60,000.00	60,000.00	67,584.52
Total Non Operating Revenue (Expenses)	<u>127,584.52</u>	<u>60,000.00</u>	<u>60,000.00</u>	<u>67,584.52</u>
<b>CHANGE IN NET POSITION</b>	(678,570.64)	(4,515,814.00)	(4,525,414.00)	3,788,277.30
<b>NET POSITION BEGINNING OF YEAR</b>	5,871,373.16	5,871,373.16	5,871,373.16	5,871,373.16
<b>NET POSITION END OF YEAR</b>	<u>5,192,802.52</u>	<u>1,355,559.16</u>	<u>1,345,959.16</u>	<u>9,659,650.46</u>

Note: The District prepares the annual budget on a basis (modified accrual basis) which differs from generally accepted accounting principles (GAAP basis).

**Post Oak Savannah Groundwater Conservation District**  
**Schedule of Changes in Net Pension Liability and Related Ratios**

	Year Ended December 31									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Pension Liability</b>										
Service cost	\$ 49,220	\$ 40,330	\$ 35,300	\$ 34,671	\$ 29,802	\$ 25,766	\$ 26,716	\$ 25,104	\$ 22,827	\$ N/A
Interest on total pension liability	54,834	47,531	42,003	36,486	31,193	26,457	21,588	18,110	14,880	N/A
Effect of plan changes	-	-	-	-	-	-	-	(4,278)	-	N/A
Effect of assumption changes or input	-	(1,714)	33,994	-	-	203	-	2,431	-	N/A
Effect of economic gains or losses	3,343	1,065	(6,466)	(790)	(517)	2,007	(855)	(122)	1,955	N/A
Benefit payments/refund of contributions	-	-	(5,904)	-	-	-	-	-	-	N/A
Net change in total pension liability	107,397	87,212	98,927	70,367	60,479	54,433	47,449	41,245	39,662	N/A
Total pension liability, beginning	672,284	585,073	486,146	415,778	355,300	300,867	253,418	212,173	172,512	N/A
Total pension liability, ending	\$ 779,681	\$ 672,285	\$ 585,073	\$ 486,145	\$ 415,779	\$ 355,300	\$ 300,867	\$ 253,418	\$ 212,174	\$ N/A
<b>Fiduciary Net Position</b>										
Employer contributions	\$ 25,754	\$ 12,956	\$ 11,578	\$ 9,931	\$ 8,592	\$ 7,064	\$ 15,140	\$ 15,086	\$ 13,978	\$ N/A
Member contributions	34,612	25,192	22,575	22,425	20,668	18,112	16,305	16,247	15,054	N/A
Investment income net of investment expenses	(52,422)	141,810	55,949	71,614	(7,383)	49,852	21,166	(2,818)	14,632	N/A
Benefit payments/refunds of contributions	-	-	(5,904)	-	-	-	-	-	-	N/A
Administrative expenses	(482)	(436)	(458)	(412)	(350)	(275)	(230)	(219)	(181)	N/A
Other	9,173	1,253	890	1,183	913	335	2,688	(3)	(13)	N/A
Net change in fiduciary net position	16,635	180,775	84,630	104,741	22,440	75,088	55,069	28,293	43,470	N/A
Fiduciary net position, beginning	806,428	625,654	541,025	436,285	413,844	338,758	283,689	255,393	211,923	N/A
Fiduciary net position, ending	\$ 823,063	\$ 806,429	\$ 625,655	\$ 541,026	\$ 436,284	\$ 413,846	\$ 338,758	\$ 283,686	\$ 255,393	\$ N/A
Net pension liability/asset	\$ (43,382)	\$ (134,144)	\$ (40,582)	\$ (54,881)	\$ (20,505)	\$ (58,546)	\$ (37,891)	\$ (30,268)	\$ (43,219)	\$ N/A
Fiduciary net position as a % of total pension liability	105.56%	119.95%	106.94%	111.29%	104.93%	116.48%	112.59%	111.94%	120.37%	N/A
Pension covered payroll	\$ 494,461	\$ 359,880	\$ 322,496	\$ 320,352	\$ 295,262	\$ 258,738	\$ 232,926	\$ 232,101	\$ 215,051	\$ N/A
Net pension liability as a % of covered payroll	-8.77%	-37.27%	-12.58%	-17.13%	-6.94%	-22.63%	-16.27%	-13.04%	-20.10%	N/A

# Post Oak Savannah Groundwater Conservation District

## Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pension Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2013	10,053	12,688	(2,635)	195,199	6.5%
2014	10,043	13,978	(3,935)	215,051	6.5%
2015	10,050	15,086	(5,036)	232,101	6.5%
2016	9,643	15,140	(5,497)	232,926	6.5%
2017	7,064	7,064	-	258,738	2.7%
2018	8,592	8,592	-	295,262	2.9%
2019	9,931	9,931	-	320,352	3.1%
2020	11,578	11,578	-	322,496	3.6%
2021	12,956	12,956	-	359,880	3.6%
2022	25,712	25,754	(42)	494,461	5.2%

(1) Payroll is calculated based on contributions as reported to TCDRS

**POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Notes to Schedule Texas County & District Retirement System**

Valuation date: Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	0.0 years (based on contribution rate calculated in 12/31/2021 valuation)
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 investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments 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% of the Pub -2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in The Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. . 2017: New mortality assumptions were reflected.  2019: New inflation, mortality and other assumptions were reflected.  2022: No changes in plan provisions were reflected in the Schedule.
Changes in Plan Provisions Reflected in the Schedule Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule.  2016: No changes in plan provisions were reflected in the Schedule.  2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.  2018: No changes in plan provisions were reflected in the Schedule.  2019: No changes in plan provisions were reflected in the Schedule.  2020: No changes in plan provisions were reflected in the Schedule.  2021: No changes in plan provisions were reflected in the Schedule.  2022: No changes in plan provisions were reflected in the Schedule.



\*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

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