
ANNUAL FINANCIAL REPORT

**HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE**

DECEMBER 31, 2019

**BUFFO & BERKMAN
CERTIFIED PUBLIC ACCOUNTANTS**

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
FOR THE YEAR ENDED DECEMBER 31, 2019

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BUFFO & BERKMAN

CERTIFIED PUBLIC ACCOUNTANTS

324 E. HIDALGO BOX 710 956-689-2479

RAYMONDVILLE, TEXAS 78580

August 26, 2020

Independent Auditor's Report

Board of Directors
Harlingen Irrigation District
Cameron County Number One
Harlingen, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Harlingen Irrigation District Cameron County Number One, as of and for the year ended December 31, 2019 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of Harlingen Irrigation District Cameron County Number One, as of December 31, 2019, 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

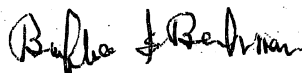
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information such as management's discussion and analysis, budgetary comparison information and schedule of pension information on pages 5 through 10, page 30 and pages 31 through 35 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. 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Harlingen Irrigation District Cameron County Number One's basic financial statements.

The other schedules are presented for purpose of additional analysis and are not a required part of the basic financial statements. The other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.



BUFFO & BERKMAN
Certified Public Accountants

**HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

DECEMBER 31, 2019

(UNAUDITED)

Our discussion and analysis of Harlingen Irrigation District Cameron County Number One's financial performance provides an overview of the District's financial activities for the year ended December 31, 2019. Please read it in conjunction with the District's basic financial statements which begin on page 12.

OVERVIEW OF THE FINANCIAL STATEMENTS

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. These provide information about the activities of the District as a whole and represent a long-term view of the District's property, 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.

For governmental activities, the fund tells how services were financed in the short-term, as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for flat rate assessments and the non-appropriated budget.

The notes to the financial statements (starting on page 17) provide narrative explanations or additional data needed for full disclosure in the government-wide statements of the fund financial statements.

On May 4, 2019, the voters of both Harlingen Irrigation District and Adams Gardens Irrigation District approved consolidating Adams Gardens Irrigation District with Harlingen Irrigation District as of September 30, 2019.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent year by \$10,802,522 (*net position*). Of this amount \$3,454,575 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.
- This District's total net position increased by \$1,142,997.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,926,897. A decrease of \$264,233 in comparison with the prior year. \$2,376,257 is available *for spending* at the District's discretion (*unassigned fund balance*).

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 12. Its primary objective 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, deferred outflows and liabilities and deferred inflows while the Statement of Activities includes all the income and expenses generated by the District's operations during the year. These apply the accrual basis of accounting, which is the same method used by most private sector companies.

All of the current year's income and expenses are taken into account regardless of when cash is received or paid. All the District's assets are reported whether they serve the current or future years. Liabilities are considered whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets, deferred outflows and liabilities and deferred inflows) 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 assess fully the overall health of the District; however, you should consider nonfinancial factors as well, such as the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, the District has one kind of activity:

Government Activities - The District's basic services are reported here, including operating and administrative. Flat rate, water sales and other income finance these activities.

Reporting the District's Governmental Funds

Governmental Funds - The District reports its basic services in governmental funds. These funds use 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 they 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 statements in the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net position of the District's governmental activities increased from \$9,659,525 to \$10,802,522. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$3,454,575 at December 31, 2019.

This increase in governmental net position was the net result of six factors. First, the District's expenditures exceeded the revenues by \$264,233. Second, the District's recognition of depreciation decreased the net position by \$289,486. Third, the District's net position was decreased by miscellaneous reclassifications of income and expense by \$56,163. Fourth, the District increased its net position by \$60,900 as a result of the purchase of capital assets. Fifth the District's recognition of undepreciated basis on equipment sold decreased the net position by \$41,088. Sixth the District's net position was increased by the transfer from Adams Gardens Irrigation District as of September 30, 2019 capital assets net of accumulated depreciation and flat rate receivables net of allowance for uncollectibles of \$1,733,067.

TABLE I
NET POSITION

	Governmental Activities	
	2019	2018
Assets:		
Current and other assets	\$ 3,195,901	\$ 3,787,207
Capital assets	7,347,947	5,958,454
Total assets	<u>\$ 10,543,848</u>	<u>\$ 9,745,661</u>
Deferred outflows of resources		
Pension contributions	\$ 83,232	\$ 82,074
Investment gains or losses-pension	345,145	
Assumption changes-pension	11,371	19,392
	<u>\$ 439,748</u>	<u>\$ 101,466</u>
Liabilities		
Current Liabilities	<u>\$ 141,168</u>	<u>\$ 86,984</u>
Deferred inflows of resources		
Economic/demographic gains or losses	\$ 39,906	\$ 27,675
Investment gains or losses-pension		72,943
	<u>\$ 39,906</u>	<u>\$ 100,618</u>
Net position:		
Invested in capital assets, net of related debt	\$ 7,347,947	\$ 5,958,454
Unrestricted	<u>3,454,575</u>	<u>3,701,071</u>
Total net position	<u><u>\$ 10,802,522</u></u>	<u><u>\$ 9,659,525</u></u>

TABLE II
CHANGE IN NET POSITION

	Governmental Activities	
	2019	2018
Income:		
Water sales	\$ 2,073,361	\$ 2,258,060
Flat rate (net of discounts)	701,857	507,252
Penalty and interest	21,689	19,050
Interest	43,901	49,176
Other income	2,986,636	1,868,079
Land rental	15,775	7,385
Total revenues	<u>\$ 5,843,219</u>	<u>\$ 4,709,002</u>
Expenses:		
Service operations:		
Operating	\$ 3,339,403	\$ 3,616,160
Administrative	927,290	983,683
Pension	144,043	75,286
Depreciation	289,486	357,717
Total expenses	<u>\$ 4,700,222</u>	<u>\$ 5,032,846</u>
CHANGE IN NET POSITION	\$ 1,142,997	\$ (323,844)
NET POSITION, JANUARY 1	<u>9,659,525</u>	<u>9,983,369</u>
NET POSITION, DECEMBER 31	<u><u>\$ 10,802,522</u></u>	<u><u>\$ 9,659,525</u></u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2019, the District had approximately \$7,347,947 (net of accumulated depreciation) invested in a broad range of capital assets, including land, structures and improvements and equipment.

This year's major additions included:

Equipment	\$ 60,900
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ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the year 2020 budget. The District expects revenues to equal expenditures for the year 2020.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have a question about this report or need additional financial information, contact the District Administration Office, at 301 E. Pierce, Harlingen, Texas, 78550.

BASIC FINANCIAL STATEMENTS

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2019

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 2,108,227	\$	\$ 2,108,227
Flat rate receivable	430,570		430,570
Allowance for uncollectible flat rate	(98,145)		(98,145)
Lawn water receivable	89,566		89,566
Allowance for uncollectible lawn water	(23,765)		(23,765)
Accounts receivable	29,745		29,745
Due from other governments	109,063		109,063
Inventory	487,053		487,053
Prepayments	63,587		63,587
Capital assets (net of accumulated depreciation)			
Land		936,728	936,728
Structures and improvements, net		4,682,163	4,682,163
Equipment, net		1,729,056	1,729,056
Total assets	<u>\$ 3,195,901</u>	<u>\$ 7,347,947</u>	<u>\$ 10,543,848</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions	\$	\$ 83,232	\$ 83,232
Investment gains or losses-pension		345,145	345,145
Assumption changes-pension		11,371	11,371
Total deferred inflows of resources		<u>\$ 439,748</u>	<u>\$ 439,748</u>
LIABILITIES			
Accounts payable	\$ 24,840	\$	\$ 24,840
Deposits	42,859		42,859
Net pension liability		73,469	73,469
Total liabilities	<u>\$ 67,699</u>	<u>\$ 73,469</u>	<u>\$ 141,168</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable flat rate	\$ 200,984	\$(200,984)	\$
Unavailable lawn contracts	321	(321)	
Economic/demographic gains or losses-pension		39,906	39,906
Total deferred inflows of resources	<u>\$ 201,305</u>	<u>\$(161,399)</u>	<u>\$ 39,906</u>
FUND BALANCE/NET POSITION			
Fund balances:			
Nonspendable			
Inventory	\$ 487,053	\$(487,053)	
Prepayments	63,587	(63,587)	
Unassigned	2,376,257	(2,376,257)	
Total fund balances	<u>\$ 2,926,897</u>	<u>\$(2,926,897)</u>	
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 3,195,901</u>		

The accompanying notes are an integral part of this statement.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Net position:			
Invested in capital assets, net of related debt	\$	\$ 7,347,947	\$ 7,347,947
Unrestricted		<u>3,454,575</u>	<u>3,454,575</u>
Total net position		<u>\$10,802,522</u>	<u>\$10,802,522</u>

The accompanying notes are an integral part of this statement.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total Fund Balances - Governmental Funds	\$ 2,926,897
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$17,069,621 and the accumulated depreciation was \$11,111,167. The net effect of including the beginning balances for capital assets (net of depreciation) in the governmental activities is to increase net position.	5,958,454
Pension plan liability and deferred outflows and inflows are not financial resources and therefore are not reported in the funds. The net effect of including the pension plan liability and deferred outflows and inflows is to increase net position	326,373
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 2019 capital outlays is to increase net position.	60,900
The 2019 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(289,486)
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 inflows of resources as income. The net effect of these reclassifications is to increase net position.	201,305
Capital assets net of accumulated depreciation transferred from Adams Gardens Irrigation District on September 30, 2019 increases net position.	<u>1,618,079</u>
Net Position of Governmental Activities	<u>\$ 10,802,522</u>

The accompanying notes are an integral part of this statement.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS,
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES/INCOME			
Water sales	\$ 2,105,197	\$(31,836)	\$ 2,073,361
Flat rate assessments (net of \$15,597 discounts)	665,373	36,484	701,857
Penalty and interest	21,689		21,689
Interest	43,901		43,901
Other	1,294,657	1,691,979	2,986,636
Land rental	15,775		15,775
Total revenues/income	<u>\$ 4,146,592</u>	<u>\$ 1,696,627</u>	<u>\$ 5,843,219</u>
EXPENDITURES/EXPENSES			
Service operations:			
Operating	\$ 3,339,403	\$	\$ 3,339,403
Administrative	1,010,522	(83,232)	927,290
Capital	60,900	(60,900)	
Depreciation		289,486	289,486
Pension		144,043	144,043
Total expenditures/expenses	<u>\$ 4,410,825</u>	<u>\$ 289,397</u>	<u>\$ 4,700,222</u>
Excess (deficiency) of revenues over expenditures	\$(264,233)	\$ 1,407,230	
Other financing sources			
Excess (deficiency) of revenues and other sources over expenditures	\$(264,233)	\$ 264,233	
Change in net position		(1,142,997)	\$ 1,142,997
Fund balances/net position:			
Beginning of the year	3,191,130	6,468,395	9,659,525
End of the year	<u>\$ 2,926,897</u>	<u>\$ 7,875,625</u>	<u>\$ 10,802,522</u>

The accompanying notes are an integral part of this statement.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Total Net Change in Fund Balances - Governmental Funds	\$(264,233)
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets. The net effect of removing the 2019 capital outlays is to increase net position.	60,900
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 net position.	(289,486)
The District received as of September 30, 2019 from the Adams Gardens Irrigation District capital assets net of accumulated depreciation and flat rate receivables net of allowance for uncollectibles. The net effect of these receipts is to increase net position.	1,733,067
The net effect of the recognition of the undepreciated basis of assets sold is to decrease net position.	(41,088)
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 inflows of revenue and adjusting current year income to show the resources earned from the current year's flat rate and lawn contracts, and removing pension contributions and recognizing pension expense. The net effect of these reclassifications and recognitions is to decrease net position.	<u>(56,163)</u>
Change in Net Position of Governmental Activities	<u>\$ 1,142,997</u>

The accompanying notes are an integral part of this statement.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. CREATION OF DISTRICT

The Harlingen Irrigation District, Cameron County No. 1, was created by an order of the Texas Legislature in May 1914. The Board of Directors held its first meeting in May 1914. On October 11, 1978, the Board of Directors resolved that the District be converted from a water control district into an irrigation district as authorized by Section 58 of the Texas Water Code.

B. CONSOLIDATION OF DISTRICT

On May 4, 2019, the voters of both Harlingen Irrigation District and Adams Gardens Irrigation District approved consolidating Adams Gardens Irrigation District with Harlingen Irrigation District as of September 30, 2019.

C. REPORTING ENTITY

The Board of Directors (the "Board"), a five member group, has governance responsibilities over all activities related to the Irrigation District. The District is a financial reporting entity as defined by the Government Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity", since the board members are elected by the public and have decision making authority, the power to designate management, the responsibility to influence significantly operations and primary accountability for fiscal matters. There are no component units included within the reporting entity. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's activities. *Governmental activities* include operations supported primarily by flat rate assessments and charges for services.

Charges for services consist of charges to customers that purchase, use, or directly benefit from goods or services provided by the District. Examples include water sales and construction revenue.

The fund financial statements provide reports on the financial condition and results of operations for the general fund and other fund.

E. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Income is recorded when earned and expenses are recorded when a

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (Continued)

liability is incurred, regardless of the timing of the related cash flows. Flat rate assessments and lawn contracts are recognized as income in the year for which they are levied.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, deferred inflow of resources and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The District considers flat rate and lawn contracts as available if they are collectible within 60 days after year end.

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, deferred inflows of resources, equity, revenues, and expenditures. The District reports the following major governmental fund:

General Fund - The General Fund is used to account for financial resources used for general operations. It is the basic fund of the District and covers all activities. Any fund balances are considered resources available for current operations.

F. OTHER ACCOUNTING POLICIES

1. Cash and cash equivalent include cash and highly liquid investments such as certificates of deposits and TexPool Investment Pools with maturities of three months or less.
2. The District records purchases of supplies as expenditures. If any supplies are on hand at the end of the year, their total cost is recorded as inventory and the fund balance is reserved for the same amount.
3. Capital assets, which include land, structures, improvements and equipment is reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. OTHER ACCOUNTING POLICIES (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Structures, improvements and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Structures and improvements	50
Equipment	5-40

4. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments within the deferred expenditures (expenses) line item in both government-wide and fund financial statements.
5. The official non-appropriated budget was prepared for adoption for the general fund. The budget is prepared using the modified accrual basis of accounting. For the year ended December 31, 2019, the budget was not amended.
6. The District reports deferred inflows of resources in the governmental fund financial statements. Deferred inflows arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, with both revenues recognition criteria are met, the liability for deferred inflow is removed from the governmental fund balance sheet and income is recognized.

G. FUND BALANCE POLICIES

The District has classified its fund balances in the following classifications:

Nonspendable	
Inventory	\$ 487,053
Prepayment	\$ 63,587
Restricted	
Committed	
Assigned	
Unassigned	\$ 2,376,257

The Board of Trustees is the District's decision making authority for both committing and restricting fund balances.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board of Trustees must by formal board action establish, modify or rescind a fund balance commitment.

When the District incurs an expenditure for which it may use either restricted or unassigned assets, it uses the restricted assets first unless unassigned assets will have to be returned because they were not used.

H. PENSION BENEFIT PLAN

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

II. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

District Policies and Legal and Contractual Provisions Governing Deposits

Compliance with the Public Funds Investment Act

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposits, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. Harlingen Irrigation District Cameron County Number One is in compliance with the requirements of the Act and with local policies.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

II. DETAILED NOTES ON ALL FUNDS (Continued)

Additional policies and contractual provisions governing deposits and investments for Harlingen Irrigation District Cameron County Number One are specified below:

Custodial Credit Risk for Deposits State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount of deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligation the District limits investments to Certificates of Deposit and TexPool Investment Pools. TexPool Investment Pools are 2 (a) 7 like funds meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net value of \$1.00, although this cannot be fully guaranteed. TexPools are rated AAA and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit. At December 31, 2019, the TexPool Investment Pools had a weighted average maturity of 35 days. Although the TexPool Investment Pools portfolios had a weighted average maturity of 35 days, the District considers the holdings in these funds to have a one day weighed average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

District Policies and Legal and Contractual Provisions Governing Deposits (Continued)

Compliance with the Public Funds Investment Act (Continued)

Custodial Credit Risk for Investments All of the District's investments are registered or the District's agent holds the investments in the District's name; therefore, the District is not exposed to custodial credit risk.

Concentration of Credit Risk As of December 31, 2019, TexPool Investment Pools represent 100% of the portfolio.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires investments to have maturities of less than one year on a weighted average maturity basis.

B. FLAT RATE ASSESSMENTS

Flat rate assessments are levied by October 1 on acreage located in the District. Assessments are due on receipt of the assessment bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a lien attaches to property to secure the payment of all assessments, penalties and interest ultimately imposed.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

II. DETAILED NOTES ON ALL FUNDS (Continued)

D. Net Pension Liability(Continued)

Actuarial assumptions:

The total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation 2.75% per year

Salary increases Varies by age and service. 4.9% average over career including inflation

Investment Rate of Return 8.00% net of pension plan investment expense, including inflation

All actuarial assumptions that determined the total pension liability at December 31, 2018, valuation were based on the results of an actuarial experience study for the period January 1, 2013-December 31, 2016 except where required to be different by GASP 68.

The long-term expected rate of return on pension plan investments is 8.00%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments 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 consultant, Cliffwater LLC. The numbers shown are based on January 2019 information for a 10-year time horizon.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

II. DETAILED NOTES ON ALL FUNDS (Continued)

D. Net Pension Liability (Continued)

Asset Class	Target allocation	Geometric Real Rate of Return
Us Equities	10.50%	5.40%
Private Equity	18.00%	8.40%
Global Equities	2.50%	5.70%
International Equities- Developed	10.00%	5.40%
International Equities- Emerging	7.00%	5.90%
Investment-Grade-Bonds	3.00%	1.66%
Statistic Credit	12.00%	4.39%
Direct Lending	11.00%	7.95%
Distressed Debt	2.00%	7.20%
REIT Equities	2.00%	4.15%
MLPS	3.00%	5.35%
Private Real Estate Partnerships	6.00%	6.30%
Hedge Funds	13.00%	3.90%

Discount Rate

The discount rate used to measure the total Pension Liability was 8.10% the projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary net Position was projected to be available to make all projected future benefit payments of current 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.

Changes in the Net Pension Liability	Total Pension Liability (a)	Increase(Decrease) Fiduciary Net Pension (b)	Net Pension Liability (a-b)
Balance at 12/31/2017	\$5,264,194	\$5,650,530	\$(386,336)
Changes for the year:			
Service cost	115,907		115,907
Interest on total pension liability	427,702		427,702
Effect of plan changes			
Effect of economic/demographic Gains or losses	(30,389)		(30,389)

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

II. DETAILED NOTES ON ALL FUNDS (Continued)

D. Net Pension Liability (Continued)

Changes in the Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Pension (b)	Net Pension Liability (a-b)
Effect of assumptions changes on inputs	0		0
Refund of contributions	(28,506)	(28,506)	0
Benefit payments	(175,112)	(175,112)	0
Contributions-employer		82,074	(82,074)
Contributions-employee		82,074	(82,074)
Net investment income		(105,709)	105,709
Administrative expense		(4,418)	4,418
Other changes	0	(608)	608
Balance at 12/31/2018	\$5,573,797	\$ 5,500,325	\$ 73,471

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the district calculated using the discount rate of 8.10%, 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 (7.10%) or 1-percentage-point higher (9.10%) than the current rate:

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
District's net pension Liability/(Asset)	\$ 758,231	\$ 73,471	\$(512,979)

Pension Plan Fiduciary Net Position

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

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the ended December 31, 2019, the District recognized pension expense of \$144,043.

At December 31, 2018, the district reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

II. DETAILED NOTES ON ALL FUNDS (Continued)

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions(Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,852	\$ 41,758
Changes in actuarial assumptions	11,371	0
Net difference between projected and actual earnings	345,145	0
Contributions subsequent to the Measurement date	<u>83,232</u>	<u>0</u>

\$83,232 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2019	\$ 129,188
2020	\$ 44,081
2021	\$ 37,091
2022	\$ 106,250
2023	0
Thereafter	0

F. DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2019, consisted of the following:

	<u>General Fund</u>
Cameron County Irrigation District No 6	\$ 2,732
Cameron County Irrigation District No. 2	772
City of Palm Valley	725
City of Harlingen Waterworks	84,912
La Feria Irrigation District	6,144
Valley Acres Irrigation District	609
City of Combes	1,865
Bayview Irrigation District	6
City of Primera	664

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

II. DETAILED NOTES ON ALL FUNDS (Continued)

F. DUE FROM OTHER GOVERNMENTS(Continued)

Engelman Irrigation District	239
Hidalgo County Irrigation District No. 5	775
Ideal Public Schools	7,488
Delta Lake Irrigation District	<u>2,132</u>
	<u>\$ 109,063</u>

G. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources at December 31, 2019, consisted of the following:

	<u>General Fund</u>
Flat rate, net	\$ 110,682
Lawn water, net	<u>12,075</u>
Total	<u>\$ 122,757</u>

H. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District is a member of the Texas Water Conservation Intergovernmental Risk Pool, a joint self-insurance pool of Texas Political Subdivisions, which provides workers' compensation coverage and liability and property coverage for the District based upon a sharing of risk and members of the pool.

The District continues to carry commercial insurance for the risk of loss from employer dishonesty and for the bonding of its directors. There have been no claims resulting from these risks in any of the past three fiscal years. There has been no significant reduction in insurance coverage from coverage in the prior year.

I. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 26, 2020, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Water sales	\$ 2,105,197	\$ 2,025,552	\$ 79,645
Flat rate (net of \$15,597 discounts)	665,373	523,592	141,781
Penalty and interest	21,689	20,000	1,689
Interest	43,901	30,000	13,901
Other	1,294,657	1,278,100	16,557
Land rental	<u>15,775</u>	<u>7,385</u>	<u>8,390</u>
Total revenues	<u>\$ 4,146,592</u>	<u>\$ 3,884,629</u>	<u>\$ 261,963</u>
EXPENDITURES			
Service operations:			
Operating	\$ 3,339,403	\$ 2,829,552	\$(509,851)
Administrative	1,010,522	988,282	(22,240)
Capital expenditures	<u>60,900</u>	<u>66,795</u>	<u>5,895</u>
Total expenditures	<u>\$ 4,410,825</u>	<u>\$ 3,884,629</u>	<u>\$(526,196)</u>
Excess (deficiency) of revenues over expenditures	\$(264,233)	\$	\$(264,233)
Other financing sources	_____	_____	_____
Excess (deficiency) of revenues and other sources over expenditures	\$(264,233)	\$	\$(264,233)
Fund balances			
Beginning of the year	<u>3,191,130</u>	<u>3,191,130</u>	_____
End of the year	<u>\$ 2,926,897</u>	<u>\$ 3,191,130</u>	<u>\$(264,233)</u>

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
PENSION INFORMATION

SCHEDULE OF PENSION EXPENSE

January 1, 2018 to
December 31, 2018

1. Total Service Cost	\$ 115,907
2. Interest on the Total Pension Liability	427,702
3. Effect of plan changes	0
4. Employee contributions	(82,074)
5. Expected investment return net of investment expenses	(455,926)
6. Administrative Expense	4,418
7. Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(18,159)
Recognition of assumption changes or inputs	8,021
Recognition of investment gains or losses	143,546
8. Other	<u>608</u>
9. Pension expense	\$ 144,043

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
PENSION INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability			
Service cost	\$ 115,907	\$ 119,644	\$ 119,272
Interest (on the Total Pension Liability)	427,702	404,048	373,928
Effect of plan changes	0	0	0
Effect of economic/demographic gains or losses	(30,389)	(29,077)	1,995
Effect of assumptions, changes or inputs	0	8,375	0
Benefit payments, including refunds Of employee contributions	(203,618)	(210,700)	(159,333)
Net Change in total Pension Liability	\$ 309,603	\$ 292,290	\$ 335,862
Total Pension Liability – Beginning	<u>5,264,194</u>	<u>4,971,904</u>	<u>4,636,041</u>
Total Pension Liability – Ending (a)	<u>\$ 5,573,797</u>	<u>\$ 5,264,194</u>	<u>\$ 4,971,904</u>
Plan Fiduciary Net Position			
Contributions – Employer	\$ 82,074	\$ 78,833	\$ 76,088
Contributions – Employee	82,074	78,833	81,846
Net Investment Income	(105,709)	726,310	343,694
Benefit payments, including refunds of employee contributions	(203,618)	(210,700)	(159,333)
Administrative Expenses	(4,418)	(3,758)	(3,757)
Other	(608)	(746)	(17,652)
Net change in Plan Fiduciary Net Position	\$(150,205)	\$ 668,772	\$ 320,886
Plan Fiduciary Net Position – Beginning	<u>5,650,530</u>	<u>4,981,759</u>	<u>4,660,873</u>
Plan Fiduciary net Position – Ending (b)	<u>\$ 5,500,325</u>	<u>\$ 5,650,530</u>	<u>\$ 4,981,759</u>
Net Pension Liability/(asset) – Ending = (a) – (b)	<u>\$ 73,471</u>	<u>\$(386,336)</u>	<u>\$ 9,856</u>
Plan fiduciary Net Position as a Percentage of Total Pension Liability	98.68%	107.34%	100.20%
Covered Employee Payroll \$ 1,555,117	\$ 1,641,480	\$ 1,576,652	\$ 1,521,753
Net Pension Liability as a Percentage of Covered Employee Payroll	4.48%	(24.50%)	(0.65%)

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
PENSION INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

<u>2015</u>	<u>2014</u>
\$ 127,677	\$ 145,194
346,018	320,326
(16,610)	0
5,271	(38,595)
31,730	0
(117,431)	(100,039)
\$ 376,655	\$ 326,885
<u>4,259,387</u>	<u>3,932,502</u>
<u>\$ 4,636,041</u>	<u>\$ 4,259,387</u>
\$ 77,756	\$ 86,909
77,756	86,909
(9,078)	291,347
(117,431)	(100,039)
(3,346)	(3,424)
<u>17,239</u>	<u>(1,513)</u>
\$ 42,896	\$ 360,189
<u>4,617,977</u>	<u>4,257,788</u>
<u>\$ 4,660,873</u>	<u>\$ 4,617,977</u>
<u>\$(24,832)</u>	<u>\$(358,590)</u>
100.54%	108.42%
\$ 1,555,117	\$ 1,738,172
(1.60%)	(20.63%)

**HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**

SCHEDULE OF CONTRIBUTIONS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 54,497	\$ 52,345	\$ 57,827	\$ 63,915	\$ 74,915
Contributions in relation to the actuarially determined	\$ 82,074	\$ 78,833	\$ 76,088	\$ 77,756	\$ 86,909
Contribution deficiency (excess)	\$ (27,577)	\$ (26,488)	\$ (18,261)	\$ (13,841)	\$ (11,993)
Covered employee Payroll	\$1,641,480	\$ 1,576,652	\$ 1,521,753	\$ 1,555,117	\$ 1,738,172
Contributions as a percentage of covered employee payroll	5.0%	5%	5%	5.0%	5.0%

NOTES TO SCHEDULE

Valuation Date:
Notes

Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the 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 12/31/2018 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service, 4.9% average over career including inflation
Investment Rate of Return	8.00% Net of administrative and investment expense, 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.

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM

NOTES TO SCHEDULE (cont.)

Mortality 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Changes in Assumptions and 2015: New inflation, mortality and other assumptions were reflected.

Methods Reflected in the

Schedule of Employer

2017: New mortality assumptions were reflected.

Contributions*

Changes in Plan Provisions 2015: No changes in plan provisions were reflected in the Schedule.

Reflected in the Schedule of

Employer contributions*

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.

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

OTHER SCHEDULES

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HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
FOR THE YEAR ENDED DECEMBER 31, 2019

WATER SALES - GENERAL FUND

Schedule 1

Irrigation water	\$ 730,582
Lawn water contracts	228,266
Industrial water	2,094
Municipal and commercial water:	
City of Harlingen	1,104,974
All others	<u>39,281</u>
Total Schedule 1	<u>\$ 2,105,197</u>

OTHER REVENUE - GENERAL FUND

Schedule 2

Plat fees	\$ 4,800
Construction	864,306
Land right of way	49,784
Administrative revenue Drainage District No. 5	25,000
Miscellaneous	43,471
Administrative revenue Adams Gardens	13,333
Sale of assets	48,593
Transfer from Adams Garden Irrigation District	<u>245,370</u>
Total Schedule 2	<u>\$ 1,294,657</u>

OPERATING EXPENDITURES - GENERAL FUND

Schedule 3

Salaries	\$ 1,547,544
Electrical power	366,941
Natural gas	6,588
Operation of equipment	242,685
Materials and supplies	777,024
Auto	4,794
Contract work	92,983
Gasoline and diesel	189,893
Lubricants and oil	29,787
Temporary labor	78,089
Equipment rental	<u>3,075</u>
Total Schedule 3	<u>\$ 3,339,403</u>

HARLINGEN IRRIGATION DISTRICT
CAMERON COUNTY NUMBER ONE
FOR THE YEAR ENDED DECEMBER 31, 2019

ADMINISTRATIVE EXPENDITURES - GENERAL FUND

Schedule 4

Directors' salaries	\$ 1,450
Other special services	4,733
Other legal expenditures	30,064
Water rights assessment	50,678
General manager's salary	86,805
Office manager's salary	42,460
Audit fees	8,000
Travel	7,552
Manager's auto allowance	7,200
Postage	10,270
Other supplies and expenditures	6,875
Office machine maintenance	4,272
Telephone	28,469
Computer	103,608
Insurance	98,383
Hospitalization insurance	239,379
Engineer contract work	9,136
Dues and subscriptions	4,655
Lights, water, gas, and janitor supplies	23,666
Payroll taxes	126,246
District retirement contribution	83,232
Safety equipment supplies	11,316
Miscellaneous	3,828
Uniforms	<u>18,225</u>
Total Schedule 4	<u>\$ 1,010,522</u>

CAPITAL EXPENDITURES - GENERAL FUND

Schedule 5

Equipment	<u>\$ 60,900</u>
Total Schedule 5	<u>\$ 60,900</u>

