

ANGLETON DRAINAGE DISTRICT

BRAZORIA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

September 30, 2024

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9314 Turnbull Ln.
Rosenberg, TX 77469
Tel: 281.725.2706
Email: curtis@curtiscraigcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Angleton Drainage District
Brazoria County, Texas

Opinions

I have audited the accompanying financial statements of the governmental activities and each major fund of Angleton Drainage District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Angleton Drainage District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Angleton Drainage District, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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, I:

- 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 Angleton Drainage District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Angleton Drainage District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information on pages 5 through 10, page 36 and pages 38 through 42, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Angleton Drainage District's basic financial statements. The Texas Supplementary Information required by the Texas Commission on Environmental Quality, as published in the *Water District Financial Management Guide*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Texas Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Texas Supplementary Information, excluding those sections marked "Unaudited" on which I express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional 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 my opinion, the Texas Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Curtis T. Craig, CPA

Rosenberg, Texas
December 3, 2024

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Management's Discussion and Analysis

As management of Angleton Drainage District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended September 30, 2024.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$3,770,696 (net position).
- As of September 30, 2024, the District's governmental fund reported an ending fund balance of \$2,237,554.
- The District's cash and cash equivalents balance as of September 30, 2024, was \$773,678, representing an increase of \$146,095 from September 30, 2023.
- The District had revenues of \$1,295,420 and a decrease in net position of \$22,831 for the year ended September 30, 2024.
- The District's long-term liabilities decreased by \$122,404 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

The government-wide financial statements present functions of the District that are provided from funding sources (governmental activities). The government-wide financial statements can be found on pages 12 through 13 of this report.

FUND FINANCIAL STATEMENTS

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

Governmental Funds - Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide an adjustments column to facilitate this comparison between the governmental funds and *governmental activities*. The basic governmental fund financial statements can be found on pages 12 through 13 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 33 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's General Fund budget and pension information. Required supplementary information can be found on pages 36 through 42 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$3,770,696 as of September 30, 2024.

The largest portion of the District's net position represents its unrestricted financial resources available for future operations (\$2,201,860).

The remaining portion of the District’s net position represents its net investment in capital assets (\$1,568,836).

**SUMMARY OF STATEMENT OF NET POSITION
As of September 30, 2024 and 2023**

	Governmental Activities	
	2024	2023
Current and other assets	\$ 2,338,531	\$ 2,192,418
Capital assets, net	1,568,836	1,694,555
Total Assets	3,907,367	3,886,973
Deferred outflows of resources	70,650	204,203
Total Deferred Outflows of Resources	70,650	204,203
Long-term liabilities	134,539	256,943
Other liabilities	72,782	40,706
Total Liabilities	207,321	297,649
Deferred inflows of resources		
Total Deferred Inflows of Resources		
Net Position:		
Net investment in capital assets	1,568,836	1,694,555
Restricted		
Unrestricted	2,201,860	2,098,972
Total Net Position	\$ 3,770,696	\$ 3,793,527

Net position of the District, all of which relate to governmental activities, decreased by \$22,831. Key elements of the decrease are as follows:

CHANGES IN NET POSITION
For the Fiscal Years Ended September 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Revenues		
Property taxes	\$ 1,151,691	\$ 1,179,611
Investment earnings and other	143,729	190,522
Total Revenues	1,295,420	1,370,133
Expenses		
Current operating	1,172,097	1,262,213
Depreciation	146,154	151,791
Total Expenses	1,318,251	1,414,004
Change in Net Position	(22,831)	(43,871)
Net Position, Beginning	3,793,527	3,837,398
Net Position, Ending	\$ 3,770,696	\$ 3,793,527

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental fund is discussed below:

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

As of September 30, 2024, the District's governmental fund, a general fund, reported an ending fund balance of \$2,237,554, which is an increase of \$113,873 from last year's total of \$2,123,681. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 185.4 percent of total General Fund expenditures, as compared to 153.3 percent in the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District anticipated a \$1,267,548 decrease in fund balance, while the actual change in fund balance was an increase of \$113,873.

The District's budget is primarily a planning tool. Accordingly, actual results varied from the budgeted amounts. The budgetary comparison schedule on page 36 of this report provides variance information for the General Fund.

CAPITAL ASSETS

The District's investment in capital assets as of September 30, 2024, amounts to \$1,568,836 (net of accumulated depreciation). This investment in capital assets includes land, machinery and equipment, office equipment and buildings and improvements.

CAPITAL ASSETS SCHEDULE

	Governmental Activities	
	2024	2023
Capital assets not being depreciated:		
Land	\$ 987,257	\$ 969,022
	<u>987,257</u>	<u>969,022</u>
Capital assets being depreciated:		
Machinery and equipment	\$ 2,320,070	\$ 2,358,189
Office equipment	26,367	26,367
Buildings and improvements	508,784	508,784
	<u>2,855,221</u>	<u>2,893,340</u>
Less: accumulated depreciation	<u>(2,273,642)</u>	<u>(2,167,807)</u>
Total Capital Assets, Net	<u>\$ 1,568,836</u>	<u>\$ 1,694,555</u>

Additional information on the District's capital assets can be found in Note 6 in the notes to the financial statements.

LONG-TERM LIABILITIES

As of September 30, 2024, the District has total long-term liabilities outstanding of \$134,539.

LONG-TERM LIABILITIES SCHEDULE

	Governmental Activities	
	2024	2023
Compensated absences	\$ 17,424	\$ 16,970
Net pension liability	117,115	239,973
Total Long-Term Liabilities	<u>\$ 134,539</u>	<u>\$ 256,943</u>

Additional information on the District's long-term liabilities can be found in Note 7 in the notes to the financial statements.

ACCOMPLISHMENTS

The District has completed the work on its flood protection levee to comply with FEMA's requirements and the levee has been certified by the District's engineering firm, Baker & Lawson, Inc., and accredited by FEMA on September 28, 2021. The certification and accreditation are on the portion of the Angleton Protection Levee from Bastrop Bayou to just north of County Road 44 (Anchor Road). By having the Angleton Protection Levee accredited by FEMA, flood insurance premiums should not increase for those living behind the levee.

The District is basically in a maintenance mode unless some other needed project may arise. The maintenance of the District is to mow, apply herbicide and repair the sloughing of slopes when needed.

The District is a member of the Brazoria County Stormwater Quality Coalition and has just completed its tenth year with an annual reporting period of October 1, 2023, through September 30, 2024.

The District has ordered a new Case 590SN backhoe with a trade-in of a 2014 Case 590SN backhoe. The cost of the new backhoe is \$148,846 with a trade-in value of \$42,500 for a net cost of \$106,346.

The Angleton Drainage District Board of Supervisors has managed to continually lower or maintain its tax rate while improving and maintaining its drainage systems and equipment. The 2023 tax year rate, (supporting the fiscal 2023-2024 budget), adopted by the Board of Supervisors was 0.053817 per \$100 of valuation. The previous 2022 tax year rate was 0.070000 for the 2022-2023 budget. This resulted in a reduction in tax revenue of \$10,009 for the 2023-2024 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Angleton Drainage District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Supervisors, P.O. Box 2469, Angleton, Texas 77516.

BASIC FINANCIAL STATEMENTS

ANGLETON DRAINAGE DISTRICT

Exhibit B(1)

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

September 30, 2024

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 773,678	\$	\$ 773,678
Investments	1,481,396		1,481,396
Receivables:			
Property taxes, net	28,195		28,195
Other	7,965		7,965
Inventory	47,297		47,297
Capital assets not being depreciated		987,257	987,257
Capital assets being depreciated, net		581,579	581,579
Total Assets	2,338,531	1,568,836	3,907,367
<u>Deferred Outflows of Resources</u>			
Deferred pension items		70,650	70,650
Total Deferred Outflows of Resources		70,650	70,650
<u>Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position</u>			
<u>Liabilities</u>			
Accounts payable	62,167		62,167
Accrued payroll	10,615		10,615
Non-current liabilities:			
Due within one year		1,742	1,742
Due after one year		132,797	132,797
Total Liabilities	72,782	134,539	207,321
<u>Deferred Inflows of Resources</u>			
Unavailable revenues - property taxes	28,195	(28,195)	
Total Deferred Inflows of Resources	28,195	(28,195)	
<u>Fund Balance/Net Position</u>			
Fund Balance:			
Nonspendable:			
Inventory	47,297	(47,297)	
Unrestricted:			
Unassigned	2,190,257	(2,190,257)	
Total Fund Balance	2,237,554	(2,237,554)	
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,338,531		
Net Position:			
Net investment in capital assets		1,568,836	1,568,836
Unrestricted		2,201,860	2,201,860
Total Net Position		\$ 3,770,696	\$ 3,770,696

See Notes to Financial Statements.

ANGLETON DRAINAGE DISTRICT

Exhibit B(2)

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended September 30, 2024

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Activities</u>
Revenues			
Property taxes	\$ 1,151,527	\$ 164	\$ 1,151,691
Investment earnings	129,158		129,158
Other	14,571		14,571
Total Revenues	<u>1,295,256</u>	<u>164</u>	<u>1,295,420</u>
Expenditures/Expenses			
Current:			
Personnel and related costs	520,542	11,149	531,691
Insurance	107,147		107,147
Legal and professional	92,583		92,583
Tax appraisal and collection	11,105		11,105
Drainage maintenance	86,591		86,591
Chemicals	8,805		8,805
Fuel and oil	42,079		42,079
Easements and related costs	1,000		1,000
Equipment rental	1,776		1,776
Repairs and maintenance	63,810		63,810
Contract services	144,845		144,845
Shop costs	10,028		10,028
Office and administrative	55,502		55,502
Permits and fees	15,135		15,135
Capital Outlay	20,435	(20,435)	
Depreciation		146,154	146,154
Total Expenditures/Expenses	<u>1,181,383</u>	<u>136,868</u>	<u>1,318,251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	113,873	(113,873)	
Change in Net Position		(22,831)	(22,831)
Fund Balance/Net Position - Beginning	<u>2,123,681</u>	<u>1,669,846</u>	<u>3,793,527</u>
Fund Balance/Net Position - Ending	<u>\$ 2,237,554</u>	<u>\$ 1,533,142</u>	<u>\$ 3,770,696</u>

See Notes to Financial Statements.

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ANGLETON DRAINAGE DISTRICT

Exhibit B(3)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Angleton Drainage District (the "District") have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the primary accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Texas Commission on Environmental Quality ("TCEQ") is the primary regulatory authority over the District, and provides additional reporting formats and guidelines through the Water District Financial Management Guide. The more significant accounting principles of the District are described below.

A. Reporting Entity

The Angleton Drainage District is a political subdivision of the State of Texas. The District was originally created by order of the Brazoria County Commissioner's Court in 1901, and it was authorized in 1907 by the 30th Legislature of the State of Texas, Senate Bill No. 55, Chapter XL. An election was held in January, 1908, thereby establishing the District. The District is governed by a board of three supervisors, all of whom are elected officials. The District's primary activity is construction and maintenance of drainage and flood control systems for an area of Brazoria County, in and around the City of Angleton, Texas. The District works in conjunction with local, state, federal and other County agencies to maintain existing drainage systems, construct additions to the existing systems and to review additions and modifications proposed by land owners, developers and others.

As required by generally accepted accounting principles, these financial statements present all activities and functions for which the District's governing board is considered to be financially accountable. Certain other entities providing like services within the area of Brazoria County are administered by separate boards, and are not subject to oversight by the District's Board of Supervisors. The District is not under the oversight or control of the City of Angleton or the County of Brazoria, which are separate political entities. However, the District does provide services within the boundaries of these entities. The District is considered a primary government for financial reporting purposes and its activities are not a part of any other governmental reporting entity. These financial statements include all operations for which this governing body is considered to be financially accountable, and include all functions falling within the definition of the reporting entity as contained in standards set forth by the Governmental Accounting Standards Board ("GASB"). There are no component units as defined under those standards.

Financial Statement Presentation

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement, known as the "Reporting Model" statement, affects the way the District prepares and presents financial information. State and local governments traditionally have used a

ANGLETON DRAINAGE DISTRICT

Exhibit B(3)

NOTES TO FINANCIAL STATEMENTS

financial reporting model substantially different from the one used to prepare private-sector financial information.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

Some of the significant changes of GASB Statement No. 34 include the following:

Management's Discussion and Analysis - GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis that private sector companies provide in their annual reports.

Government-Wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities, but also capital assets and long-term liabilities (such as buildings and infrastructure and general obligation debt). Accrual accounting reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter, as is the case with the modified accrual basis of accounting. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report related depreciation expense, the cost of "using up" capital assets, in the Statement of Activities. The net position of a government is broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Fund Financial Statements - These statements focus on the District's major fund and are prepared using the modified accrual basis of accounting.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units, as applicable. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The District had no business-type activities or component units as of and for the year ended September 30, 2024. The governmental fund financial statements consist of the balance sheet and statement of revenues, expenditures and changes in fund balance. These financial statements have been adjusted to arrive at the government-wide financial statement

ANGLETON DRAINAGE DISTRICT

Exhibit B(3)

NOTES TO FINANCIAL STATEMENTS

balances (statement of net position and statement of activities). Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement Focus and Basis of Accounting

The government-wide 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.

Governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued include interest earned on investments and income from District operations. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service requirements, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Governmental Accounting Standards Board has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable:

To indicate fund balance associated with inventories, prepaids, long-term loans and notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned).

Restricted:

To indicate fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. When restricted and unrestricted fund balance exists for the same purpose, restricted fund balance will be used first.

Committed:

To indicate fund balance that can be used only for the specific purposes determined by a formal action of the Board of Supervisors (the District's highest level of decision-making authority). Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action that imposed the constraint originally.

ANGLETON DRAINAGE DISTRICT

Exhibit B(3)

NOTES TO FINANCIAL STATEMENTS

Assigned:

To indicate fund balance to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned:

To indicate the residual classification of fund balance in the General Fund and includes all spendable amounts not contained in the other classifications.

In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

GASB 54 requires disclosure of any formally adopted minimum fund balance policies. The District does not currently have any such policies.

The accounting system is organized on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, liabilities, fund equity or deficit, revenues and expenditures.

The District reports the following governmental fund:

General Fund

The General Fund is the government's primary operating fund. The General Fund accounts for all financial resources of the District. The major revenue source is local property taxes. Expenditures include all costs associated with daily operations of the District. The District has only one fund, the General Fund.

C. Cash, Cash Equivalents, and Investments

Cash, cash equivalents and investments are reported at fair value.

D. Prepaid Items

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements, when applicable.

E. Deferred Inflows/Outflows of Resources

In addition to liabilities, the governmental fund balance sheet and government-wide 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category.

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- Deferred inflows of resources for unavailable revenues - Reported in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In addition to assets, the governmental fund balance sheet and government-wide 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category.

- Deferred outflows of resources for pension activities - Reported in the government-wide statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability/(asset), assumption changes or inputs, differences between expected and actual investment earnings, and differences between expected and actual economic experiences.

F. Capital Assets

Capital assets, which include machinery and equipment, office equipment, buildings and improvements and land, as defined by District policy consisting of items with estimated useful lives in excess of one year or more with an original cost in excess of \$1,000. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair market value at fiscal year-end. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated over their remaining useful lives using the straight-line method as follows:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Tools and Equipment	5 to 15 years
Buildings and Improvements	40 years

The District is responsible for maintenance of approximately 120 miles of drainage facilities. The majority of these facilities are open earthen ditches. The District also has a 50-acre detention pond known as the Anchor Road Pit, a 20.394-acre tract and detention pond known as the Ditch 7 Pit, a 8.563-acre tract and detention pond known as the Ditch 9 Pit and a 25.997-acre tract and detention pond known as the Brushy Bayou/Rab Pit. The Brushy Bayou/Rab Pit has not been fully excavated.

The majority of the drainage facilities are located on private property, however, their construction and maintenance costs were incurred by the District. The District has not

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capitalized these costs in prior years. Pursuant to the Governmental Accounting Standards Board Comprehensive Implementation Guide - 2004, phase 3 governments can choose not to retroactively report infrastructure assets if the records are incomplete or unavailable and the reconstruction of the records is cost prohibitive. The District chooses to not retroactively report general infrastructure assets acquired or constructed prior to July 1, 2003. The District's drainage facilities are assessed on an ongoing basis through the general maintenance and mowing programs. All drainage facilities in the District are assessed on-site at a minimum of once a year. The Board of Supervisors of the District are informed of the ongoing maintenance programs during the monthly, regular public meeting. Any major problems are discussed at this time and advice is sought from the Board of Supervisors and the District's engineer. Approvals for major expenses are obtained from the Board of Supervisors.

The District's drainage facilities are assessed by the following standards:

Excellent	Concrete lined.
Good	Earthen, with no sloughing or washouts and crossings in good condition.
Average	Earthen, with minor sloughing or washouts and crossings in good condition.
Poor	Earthen, with major sloughing or washouts and/or crossings need repair or replacement.

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums or discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of any applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums or discounts, as well as bond issuance costs, during the current period. The face amount of new debt issued is reported as other financing sources. Premiums are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

H. Compensated Absences

The District's employees earn vacation and sick leave which may either be taken or accumulated, up to certain amounts, until paid upon termination or retirement. However, only accumulated vacation days are paid upon termination from employment. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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NOTES TO FINANCIAL STATEMENTS

I. Date of Management's Review

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 3, 2024, the date that the financial statements were available to be issued.

J. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes an adjustments column to arrive at the government-wide statement of net position balances. Amounts reported in the statement of net position are different because:

Total fund balance - governmental fund	\$	2,237,554
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,568,836
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		28,195
The deferred outflows of resources pertaining to pension activities are not financial resources and, therefore, are not reported in the funds.		70,650
The deferred inflows of resources and net pension liability pertaining to pension activities are not due and payable in the current period, and therefore, are not reported in the funds.		(117,115)
Long-term liabilities, including compensated absences, are not due and payable in the current period, and therefore, are not reported in the funds.		(17,424)
Net Position of Governmental Activities	\$	<u>3,770,696</u>

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NOTES TO FINANCIAL STATEMENTS

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures and changes in fund balance includes an adjustments column to arrive at changes in net position as reported in the government-wide statement of activities. Amounts reported in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 113,873
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	(125,719)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are reported as expenditures in governmental funds. This adjustment reflects the net change in compensated absences and pension related items.	(11,149)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This represents the net change in property taxes receivable on the accrual basis of accounting.	164
Change in Net Position of Governmental Activities	<u><u>\$ (22,831)</u></u>

NOTE 3 – DEPOSITS AND INVESTMENTS

The District's cash and investments are classified as cash and cash equivalents and investments. The cash and cash equivalents include cash on hand and deposits with financial institutions.

Investment Policy

The District has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act (Chapter 2256 Texas Government Code). The investments of the District are in compliance with the District's investment policy.

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the

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investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."

	Weighted Average Maturity (Days)	Value
Cash and cash equivalents:		
Cash deposits		\$ 773,678
Total Cash and Cash Equivalents		\$ 773,678
Investments:		
U.S. treasury bills	56	\$ 1,481,396
Total Investments		\$ 1,481,396

Custodial Credit Risk - Deposits

The risk that, in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires funds on deposit at the depository bank to be collateralized by securities, to the extent the deposits exceed FDIC coverage.

The District's total cash deposits at September 30, 2024, were entirely covered by collateralized securities held in the District's name or by federal deposit insurance.

Investments Fair Value

The District's investments are carried at fair value based on quoted market prices at year-end, in accordance with U.S. generally accepted accounting principles. The District categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*, which provides a framework for measuring fair value and establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices within Level 1, that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the

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measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Investments' fair value measurements are as follows as of September 30, 2024:

	Fair Value Measurements Using Other Observable Inputs (Level 2)		Fair Value
Investments:			
U.S. treasury bills	\$	1,481,396	\$ 1,481,396
Total Investments	\$	1,481,396	\$ 1,481,396

The U.S. treasury bills included in Level 2 of the fair value hierarchy are valued using a market approach based on a matrix pricing technique, whereby valuation is determined in reference to benchmark prices and interest rates.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District structures its investment portfolio so that securities mature to meet cash requirements for ongoing operations, and monitors interest rate risk using weighted average maturity analysis.

Credit Risk

The District's investment policy requires that investments are limited to only certain instruments that are authorized by the Public Funds Investment Act. Further specifications are that external investment pools must be rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service, United States Treasury and agency investments are guaranteed (either express or implied) and backed by the full faith and credit of the United States or its respective agencies, and certificates of deposit are guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or fully collateralized under an approved pledge agreement.

Concentration of Credit Risk

The risk of loss attributed to the magnitude of a District's investment in a single issuer. The District's investment policy limits investments by security type and institution.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the

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possession of an outside party. The District's investment policy requires that custody of securities is maintained at financial institutions, avoiding physical possession.

NOTE 4 - PROPERTY TAXES

All property values are determined by the Brazoria County Central Appraisal District. A tax lien attaches to all properties within the District on January 1st of each year. Taxes are generally levied on October 1 and are due upon receipt of the tax bill by the property owner. Penalties and interest are charged if taxes are not paid by the succeeding January 31st.

For the current year, the District levied a tax rate of \$0.053817 per \$100 of assessed valuation. The resulting tax levy was \$1,145,257 on the adjusted taxable valuation of \$2,128,058,732 for the 2023 tax year.

Property taxes receivable as of September 30, 2024, consisted of the following:

Tax Year	General Fund
2023	\$ 16,755
2022	6,059
2021	3,936
2020	2,601
2019 and prior	16,844
	<u>\$ 46,195</u>

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major fund are as follows:

	General Fund
Receivables:	
Property taxes	\$ 46,195
Other	7,965
Gross receivables	54,160
Less: allowance for uncollectibles	(18,000)
Net Total Receivables	<u>\$ 36,160</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At

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the end of the current fiscal year, deferred inflows of resources reported in the governmental fund were as follows:

Delinquent property taxes receivable - General Fund	\$	28,195
Total Deferred Inflows for Governmental Funds	\$	28,195

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2024, follows:

	Balances Oct. 1, 2023	Increases	Decreases	Balances Sept. 30, 2024
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 969,022	\$ 18,235	\$	\$ 987,257
Total capital assets not being depreciated	969,022	18,235		987,257
Capital assets being depreciated:				
Machinery and equipment	2,358,189	2,200	(40,319)	2,320,070
Office equipment	26,367			26,367
Buildings and improvements	508,784			508,784
Total capital assets being depreciated	2,893,340	2,200	(40,319)	2,855,221
Less accumulated depreciation for:				
Machinery and equipment	(1,732,866)	(132,980)	40,319	(1,825,527)
Office equipment	(22,609)	(1,100)		(23,709)
Buildings and improvements	(412,332)	(12,074)		(424,406)
Total accumulated depreciation	(2,167,807)	(146,154)	40,319	(2,273,642)
Total capital assets being depreciated, net	725,533	(143,954)		581,579
Governmental activities capital assets, net	\$ 1,694,555	\$ (125,719)	\$	\$ 1,568,836

Depreciation expense for the year ended September 30, 2024, totaled \$146,154.

NOTE 7 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2024, is as follows:

	Balances Oct. 1, 2023	Additions	Reductions	Balances Sept. 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Compensated absences	\$ 16,970	\$	\$ 454	\$ 17,424	\$ 1,742
Net pension liability	239,973		(122,858)	117,115	
Total Long-Term Liabilities	\$ 256,943	\$	\$ (122,404)	\$ 134,539	\$ 1,742

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NOTES TO FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Plan Description

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nearly 870 traditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report ("CAFR") on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034, or on-line at www.tcdrs.org.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas State statutes governing TCDRS ("TCDRS Act"). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefits Provided

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

Employees Covered by Benefit Terms

At the December 31, 2023, valuation and measurement date, the following employees were covered by the benefit terms:

	2023
Inactive employees or beneficiaries currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefits	3
Active employees	4
Total	<u>20</u>

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Contributions

The employer has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of 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 11.90% for the months of the calendar year in 2024, and 10.83% for the months of the calendar year in 2023. The deposit rate payable by the employee members for calendar years 2023 and 2024 is the rate of 7% as adopted by the governing body of the employer. Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2022, and December 31, 2023, the basis for determining the contribution rates for calendar years 2023 and 2024. The December 31, 2023, actuarial valuation is the most recent valuation.

The TCDRS board hires independent consulting actuaries to conduct annual valuations, measure the funding status, and to determine the required employer contribution rate. The valuation of each employer plan is based on the system funding policy and the assets, benefits and participant profile of each participating employer. The four key components in the determination of employer contribution rates are as follows:

- *Actuarial Cost Method* – TCDRS has adopted the replacement life entry age cost method, a conservative cost method and an industry standard. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach, benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate, which generally remains stable from year to year.
- *Amortization Policy* - The portion of the contribution rate that funds the remaining unfunded amounts for benefits not covered by the normal cost is called the unfunded actuarial accrued liability (UAAL) rate. The UAAL amounts occur when either benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actual gains and losses). UAAL amounts are amortized on a level-percentage-of-covered-payroll basis, over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the date they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains or losses, as well as any plan benefit changes elected by an employer for that year.

Benefit enhancements are amortized over a 15-year closed period. All other changes in the UAAL are amortized over 20-year closed periods. These amortization periods are generally

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more conservative than those of most other public retirement plans and are stricter than the minimum amortization period required under state law.

For newly participating districts that have five or fewer employees who are all within five years of retirement eligibility, any initial UAAL and any subsequent adoption of prior service credits are amortized over a five-year closed amortization period. This ensures that benefits are appropriately funded over the current generation of employees.

Notwithstanding the layer approach, the total UAAL payment may not be less than the required payment obtained by amortizing the entire UAAL over a 20-year period.

If a plan is overfunded, the overfunded actuarial accrued liability (OAAL) is calculated annually using a 30-year open amortization period on a level-dollar basis.

- *Asset Valuation Method* - When determining the actuarial value of assets used for measuring a plan's funded status, TCDRS smooths each year's actuarial investments gains and losses and recognizes them over a five-year period to better reflect the system's long-term investment horizons and to keep employer contribution rates more stable. As actuarial asset investment gains and losses are recognized, they become part of the actuarial gains and losses for the year and are funded according to the amortization policy. The five-year period helps stabilize employer rates while still ensuring that rates are reflective of current market conditions.

In addition, the board has the ability to set aside reserves from investment earnings that are used to help offset future negative economic cycles. These reserves are held separately and are not counted as part of a participating employer's plan assets until they are passed through to employers when determined necessary by the board. Reserves help maintain rate stability for employers. In addition, reserves ensure that employers do not adopt benefit increases based on a temporarily lower plan cost at a high point in a market cycle and, conversely, are not as pressured to immediately reduce benefit levels during a low point in a market cycle.

- *Actuarial Assumptions* - Demographic and economic assumptions are used to estimate employer liabilities and to determine the amount of funding required from employer contributions as opposed to investment earnings. These assumptions reflect long-term perspective of 30 years or more. Examples of key economic assumptions include long-term investment return, long-term inflation and annual payroll increases.

Demographic assumptions are the actuary's best estimate of what will happen to TCDRS members and retirees. Examples of demographic assumptions are employment termination rates, retirement rates and retiree mortality rates. A complete listing of all actuarial assumptions can be found in the annual system-wide valuation report.

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NOTES TO FINANCIAL STATEMENTS

Net Pension Liability/(Asset)

The District's Net Pension Liability/(Asset) was measured as of December 31, 2023, and the Total Pension Liability ("TPL") used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	0.0% per year
Investment Rate of Return	7.6% per year

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 based on January 2024 information for a 10-year time horizon.

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return</u>
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (nex) Index	6.00%	4.75%
Investment - Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%
Total		<u>100.00%</u>	

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Discount Rate

The projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 7.60% is used. This rate reflects the long-term assumed rate of return on assets for funding 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in the Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Plan Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/22	\$ 4,528,094	\$ 4,288,120	\$ 239,974
Changes for the year:			
Service cost	64,002		64,002
Interest (on the Total Pension Liability)	337,527		337,527
Effect of plan changes			
Effect of economic/demographic gains or losses	6,472		6,472
Effect of assumptions changes or inputs			
Refund of contributions			
Benefit payments	(307,537)	(307,537)	
Administrative expenses		(2,356)	2,356
Member contributions		29,137	(29,137)
Net investment income		468,960	(468,960)
Employer contributions		45,079	(45,079)
Other changes		(9,960)	9,960
Net changes	\$ 100,464	\$ 223,323	\$ (122,859)
Balance at 12/31/23	<u>\$ 4,628,558</u>	<u>\$ 4,511,443</u>	<u>\$ 117,115</u>

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

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

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	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
District's net pension liability/(asset)	\$ 587,810	\$ 117,115	\$ (287,845)

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

For the calendar year ended December 31, 2023, the District recognized pension expense of \$58,328.

As of December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$	21,255
Changes in actuarial assumptions		301
Difference between projected and actual investment earnings		10,088
Contributions subsequent to the measurement date		39,006
Totals	\$	70,650

\$39,006 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/(asset) for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended Dec 31.:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (19,449)
2025	(11,053)
2026	92,592
2027	(30,446)
2028	
Thereafter	
	\$ 31,644

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NOTES TO FINANCIAL STATEMENTS

NOTE 9 - RISK MANAGEMENT

The District is exposed to the normal risks of a public entity of its size and nature. Management is unaware of any unusual or unexpected types of risk. The District protects itself from risks primarily through the purchase of liability, property and worker's compensation insurance. Claims have not exceeded insurance coverage in any of the three previous fiscal years.

There has been no significant reduction in insurance coverage during the year ended September 30, 2024. As of September 30, 2024, management is unaware of any material liability for unpaid claims or unasserted claims.

The District is a participant in the Texas Municipal League Intergovernmental Risk Pool for coverage of liability and property claims. The District pays annual premiums to the pool for the coverage. The agreement with the Texas Municipal League Intergovernmental Risk Pool requires the pool to be self-sustaining. Therefore, the District's exposure for claims is designed to be limited to its deductible.

NOTE 10 – INTERLOCAL AGREEMENTS

The District periodically enters into interlocal agreements with the City of Angleton and Brazoria County, Texas, for various drainage and flood control projects.

NOTE 11 – CONTINGENT LIABILITIES

In June 2022, a contractor for the District began clearing brush from the banks of a bayou. A property owner objected and claimed that the action constituted trespass and removal of private property. As of September 30, 2024, the owners have not made any monetary demand against the District and no litigation is pending. If necessary, the District intends to acquire an easement by negotiation or by eminent domain. If an eminent domain action is filed, then the District anticipates the possibility of a counterclaim against it in an undetermined amount. The District intends to vigorously dispute any claims against the District.

A residential development within the District has proposed to use a drainage easement of the District for the discharge of treated effluent from the wastewater treatment plant of the development. An owner of the fee estate underlying a portion of the District's easement, filed suit on February 20, 2024, against the District and its then Supervisors in their official capacities, to prevent that use. The suit seeks damages for inverse condemnation, damage to the Plaintiff's property, attorney's fees, cost of court, and interest, as well as declaratory relief and an injunction against use of the easement to drain treated effluent. The Plaintiff has stated that other landowners may join in the suit. No citation has been issued or served, so the Defendants have not answered the suit as of September 30, 2024. The District adamantly asserts that the use of the easement is lawful, and the District intends to contest the suit vigorously.

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REQUIRED SUPPLEMENTARY INFORMATION

ANGLETON DRAINAGE DISTRICT

Exhibit C(1)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 1,170,481	\$ 1,170,481	\$ 1,151,527	\$ (18,954)
Investment earnings	40,000	40,000	129,158	89,158
Other			14,571	14,571
Total Revenues	1,210,481	1,210,481	1,295,256	84,775
Expenditures				
Current:				
Personnel and related costs	707,336	707,936	520,542	187,394
Insurance	147,602	147,602	107,147	40,455
Legal and professional	126,000	128,000	92,583	35,417
Tax appraisal and collection	12,265	12,265	11,105	1,160
Drainage maintenance	236,000	236,000	86,591	149,409
Chemicals	50,000	50,000	8,805	41,195
Fuel and oil	49,870	51,870	42,079	9,791
Easements and related costs	275,000	263,200	1,000	262,200
Equipment rental	29,000	29,000	1,776	27,224
Repairs and maintenance	88,200	94,200	63,810	30,390
Contract services	206,000	206,000	144,845	61,155
Shop costs	14,000	15,000	10,028	4,972
Office and administrative	64,404	64,604	55,502	9,102
Permits and fees	14,000	14,000	15,135	(1,135)
Contingency	224,023	224,023		224,023
Capital Outlay	234,329	234,329	20,435	213,894
Total Expenditures	2,478,029	2,478,029	1,181,383	1,296,646
Net Change in Fund Balance	(1,267,548)	(1,267,548)	113,873	1,381,421
Fund Balance - Beginning	2,123,681	2,123,681	2,123,681	
Fund Balance - Ending	\$ 856,133	\$ 856,133	\$ 2,237,554	\$ 1,381,421

ANGLETON DRAINAGE DISTRICT

Exhibit C(2)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

A. Budget and Budgetary Accounting

An annual appropriated budget is adopted for the General Fund by the District's Board of Supervisors. The budget is prepared using the same method of accounting as for financial reporting and serves as a planning tool.

For the fiscal year ended September 30, 2024, expenditures for permits and fees exceeded appropriations by \$1,135. These expenditures in excess of appropriations were funded by appropriations in excess of expenditures in other expenditure line-items.

ANGLETON DRAINAGE DISTRICT

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM - SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Pension Liability				
Service cost	\$ 64,002	\$ 69,017	\$ 78,157	\$ 70,790
Interest (on the total pension liability)	337,527	325,285	307,691	291,733
Effect of plan changes				
Effect of assumption changes or inputs			1,204	211,697
Effect of economic/demographic (gains) or losses	6,472	18,876	30,011	18,188
Benefit payments/refunds of contributions	(307,537)	(188,804)	(164,500)	(141,441)
Net Change in Total Pension Liability	100,464	224,374	252,563	450,967
Total Pension Liability - Beginning	4,528,094	4,303,720	4,051,157	3,600,190
Total Pension Liability - Ending (a)	<u>\$ 4,628,558</u>	<u>\$ 4,528,094</u>	<u>\$ 4,303,720</u>	<u>\$ 4,051,157</u>
Fiduciary Net Position				
Employer contributions	\$ 45,079	\$ 58,324	\$ 52,671	\$ 56,446
Member contributions	29,137	39,181	43,224	45,785
Net investment income	468,960	(265,159)	845,025	367,525
Benefit payments, including refunds of employee contributions	(307,537)	(188,804)	(164,500)	(141,441)
Administrative expense	(2,356)	(2,513)	(2,519)	(2,841)
Other	(9,960)	(8,965)	(874)	(808)
Net Change in Plan Fiduciary Net Position	223,323	(367,936)	773,027	324,666
Fiduciary Net Position - Beginning	4,288,120	4,656,056	3,883,029	3,558,363
Fiduciary Net Position - Ending (b)	<u>\$ 4,511,443</u>	<u>\$ 4,288,120</u>	<u>\$ 4,656,056</u>	<u>\$ 3,883,029</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 117,115</u>	<u>\$ 239,974</u>	<u>\$ (352,336)</u>	<u>\$ 168,128</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	97.47%	94.70%	108.19%	95.85%
Pensionable Covered Payroll	\$ 416,245	\$ 559,728	\$ 617,482	\$ 654,072
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	28.14%	42.87%	-57.06%	25.70%

Exhibit C(3)

2019	2018	2017	2016	2015	2014
\$ 67,126	\$ 65,049	\$ 66,917	\$ 65,865	\$ 59,996	\$ 66,228
273,543	257,226	241,363	221,137	223,175	208,840
				(1,819)	
		(6,791)		17,108	
21,674	18,528	21,604	2,511	(211,341)	3,858
(141,441)	(141,441)	(109,942)	(40,283)	(172,461)	(42,840)
220,902	199,362	213,151	249,230	(85,342)	236,086
3,379,288	3,179,926	2,966,775	2,717,544	2,802,886	2,566,800
<u>\$ 3,600,190</u>	<u>\$ 3,379,288</u>	<u>\$ 3,179,926</u>	<u>\$ 2,966,774</u>	<u>\$ 2,717,544</u>	<u>\$ 2,802,886</u>
\$ 49,608	\$ 48,086	\$ 46,853	\$ 53,331	\$ 49,608	\$ 56,075
45,040	42,770	42,705	40,978	38,930	39,529
509,107	(60,452)	412,071	190,869	(7,312)	177,735
(141,441)	(141,441)	(109,942)	(40,283)	(172,463)	(42,840)
(2,712)	(2,490)	(2,138)	(2,075)	(1,961)	(2,114)
(1,106)	(1,184)	(293)	4,685	(190,873)	19,394
458,496	(114,711)	389,256	247,505	(284,071)	247,779
3,099,867	3,214,578	2,825,322	2,577,817	2,861,888	2,614,109
<u>\$ 3,558,363</u>	<u>\$ 3,099,867</u>	<u>\$ 3,214,578</u>	<u>\$ 2,825,322</u>	<u>\$ 2,577,817</u>	<u>\$ 2,861,888</u>
<u>\$ 41,827</u>	<u>\$ 279,421</u>	<u>\$ (34,652)</u>	<u>\$ 141,452</u>	<u>\$ 139,727</u>	<u>\$ (59,002)</u>
98.84%	91.73%	101.09%	95.23%	94.86%	102.11%
\$ 643,429	\$ 611,002	\$ 610,066	\$ 585,407	\$ 556,142	\$ 564,701
6.50%	45.73%	-5.68%	24.16%	25.12%	-10.45%

ANGLETON DRAINAGE DISTRICT

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM - SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially Determined Contributions	\$ 47,633	\$ 51,370	\$ 56,256
Contributions in Relation to the Actuarially Determined Contributions	\$ 47,633	\$ 51,370	\$ 56,256
Contribution Deficiency (Excess)	\$	\$	\$
Covered Employee Payroll	\$ 407,440	\$ 482,697	\$ 567,213
Contributions as a Percentage of Covered Employee Payroll	11.69%	10.64%	9.92%

* GASB 68 requires ten years of data to be provided in this schedule, however, only nine years are currently available.

Exhibit C(4)

2021	2020	2019	2018	2017	2016	2015
\$ 54,391	\$ 55,305	\$ 48,490	\$ 47,366	\$ 49,306	\$ 51,963	\$ N/A
\$ 54,391	\$ 55,305	\$ 48,490	\$ 47,366	\$ 49,306	\$ 51,963	\$ N/A
\$	\$	\$	\$	\$	\$	\$ N/A
\$ 667,104	\$ 685,307	\$ 625,671	\$ 605,507	\$ 646,629	\$ 610,843	\$ N/A
8.15%	8.07%	7.75%	7.82%	7.63%	8.51%	N/A

ANGLETON DRAINAGE DISTRICT

Exhibit C(5)

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM - NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation Date: Actuarially determined contribution rates are calculated each 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 (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17.4 years (based on contribution rate calculated in 12/31/23 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	7.5%, net of administrative and 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: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of 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. 2023: 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.*

TEXAS SUPPLEMENTARY INFORMATION

ANGLETON DRAINAGE DISTRICT

SCHEDULE OF SERVICES AND RATES

For the Year Ended September 30, 2024

1. Services provided by the District:

<u> </u>	Retail Water	<u> </u>	Wholesale Water	<u> X </u>	Drainage
<u> </u>	Retail Sewer	<u> </u>	Wholesale Sewer	<u> </u>	Irrigation
<u> </u>	Parks/Recreation	<u> </u>	Fire Protection	<u> </u>	Security
<u> </u>	Solid Waste/Garbage	<u> </u>	Flood Control	<u> </u>	Roads
<u> </u>	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u> </u>	Other (specify): _____				

2. Retail Service Providers (Not Applicable)

a. Retail rates based on 5/8" meter

Retail rates not applicable

The most prevalent type of meter (if not a 5/8"): _____

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>
Water	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
Wastewater	<u> </u>	<u> </u>	<u> </u>	<u> </u>	

Surcharge:

District employs winter averaging for wastewater usage? Yes No
 Total charges per 10,000 gallons usage:
 Water Wastewater Surcharge

b. Water and Wastewater Retail Connections: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered	<u> </u>	<u> </u>	x 1.0	<u> </u>
< or = .75"	<u> </u>	<u> </u>	x 1.0	<u> </u>
1"	<u> </u>	<u> </u>	x 2.5	<u> </u>
1.5"	<u> </u>	<u> </u>	x 5.0	<u> </u>
2"	<u> </u>	<u> </u>	x 8.0	<u> </u>
3"	<u> </u>	<u> </u>	x 15.0	<u> </u>
4"	<u> </u>	<u> </u>	x 25.0	<u> </u>
6"	<u> </u>	<u> </u>	x 50.0	<u> </u>
8"	<u> </u>	<u> </u>	x 80.0	<u> </u>
10"	<u> </u>	<u> </u>	x 115.0	<u> </u>
Total Water	<u> </u>	<u> </u>	██████████	<u> </u>
Total Wastewater	<u> </u>	<u> </u>	x 1.0	<u> </u>

See accompanying independent auditor's report.

**3. Total Water Consumption During the Fiscal Year Rounded to the Nearest
Thousand:** (Not Applicable)

Gallons pumped into system:

Water Accountability Ratio
(Gallons billed/Gallons pumped)

Gallons billed to customers:

4. Standby Fees: (Not Applicable)

5. Location of District: Previously Existing District - No Changes - Information Omitted

ANGLETON DRAINAGE DISTRICT

TSI-2

SCHEDULE OF GENERAL FUND EXPENDITURES

For the Year Ended September 30, 2024

Current

Personnel (including benefits)	<u>\$ 520,542</u>
Professional Fees:	
Audit and accounting	11,150
Legal	42,459
Engineering	<u>38,974</u>
	<u>92,583</u>
Contracted Services:	
Tax appraisal and collection	11,105
Contract services	<u>144,845</u>
	<u>155,950</u>
Utilities	<u>25,017</u>
Repairs and Maintenance:	<u>63,810</u>
Administrative:	
Office and administrative	30,485
Insurance	107,147
Other	<u>103,502</u>
	<u>241,134</u>
Capital Outlay	<u>20,435</u>
Other:	
Chemicals	8,805
Fuel and oil	42,079
Easements and related costs	1,000
Shop costs	<u>10,028</u>
	<u>61,912</u>
Total Expenditures	<u>\$ 1,181,383</u>

Number of employees employed by the District:

<u>7</u>	Full-time
<u> </u>	Part-time

See accompanying independent auditor's report.

ANGLETON DRAINAGE DISTRICT

TSI-3

SCHEDULE OF TEMPORARY INVESTMENTS

For the Year Ended September 30, 2024

<u>Investment</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Balances at September 30, 2024</u>	<u>Accrued Interest</u>
<u>General Fund</u>					
United States Treasury Bill	912797HE0	5.145	10/31/2024	\$ 493,497	\$ 4,360
United States Treasury Bill	912797HP5	4.980	11/29/2024	493,637	2,213
United States Treasury Bill	912796ZV4	4.540	12/26/2024	494,262	252
Total General Fund				\$ 1,481,396	\$ 6,825

See accompanying independent auditor's report.

ANGLETON DRAINAGE DISTRICT

TSI-4

ANALYSIS OF TAXES LEVIED AND RECEIVABLE

For the Year Ended September 30, 2024

	General Fund	Totals		
Taxes receivable - October 1, 2023	\$ 46,031	\$ 46,031		
Additions and corrections - prior years	(5,770)	(5,770)		
Adjusted taxes receivable - October 1, 2023	40,261	40,261		
Original tax roll 2023	1,047,115	1,047,115		
Additions and corrections - current year	98,142	98,142		
Adjusted tax roll	1,145,257	1,145,257		
Total to be Accounted for	1,185,518	1,185,518		
<u>Tax Collections</u>				
Current year	1,129,202	1,129,202		
Prior years	10,121	10,121		
Total Collections	1,139,323	1,139,323		
Taxes Receivable - September 30, 2024	\$ 46,195	\$ 46,195		
 <u>Taxes Receivable - By Tax Year</u>				
2023	\$ 16,755	\$ 16,755		
2022	6,059	6,059		
2021	3,936	3,936		
2020	2,601	2,601		
2019 and prior	16,844	16,844		
Taxes Receivable - September 30, 2024	\$ 46,195	\$ 46,195		
 <u>Property Valuations</u>				
Total Property Valuations	\$ 2,128,058,732	\$ 1,669,579,552	\$ 1,418,395,445	\$ 1,351,027,628
<u>Tax Rates Per \$100</u>				
<u>Valuations</u>				
Maintenance and operations	\$ 0.053817	\$ 0.070000	\$ 0.091153	\$ 0.109962
Total Tax Rate per \$100 Valuation	\$ 0.053817	\$ 0.070000	\$ 0.091153	\$ 0.109962
Tax Rolls	\$ 1,145,257	\$ 1,168,706	\$ 1,292,910	\$ 1,485,617
Percent of taxes collected to taxes levied (as adjusted)	98.6%	99.5%	99.7%	99.8%

See accompanying independent auditor's report.

ANGLETON DRAINAGE DISTRICT

TSI-5

LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS

9/30/2024*

Due During Fiscal Year Ending	Annual Requirements for All Series		
	Principal Due	Interest Due	Totals
2025	\$	\$	\$
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
Totals	<u>\$</u>	<u>\$</u>	<u>\$</u>

* Not Applicable - The District has no outstanding long-term debt as of September 30, 2024.

ANGLETON DRAINAGE DISTRICT

TSI-6

ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT

For the Year Ended September 30, 2024*

	Bond Issues				
Interest rate					
Dates interest payable					
Maturity dates					
Original issue amount	\$	\$	\$	\$	\$
Bonds outstanding at beginning of year	\$	\$	\$	\$	\$
Bonds issued					
Principal retirements/ refundings					
Bonds Outstanding at End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Interest Retirements	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Paying Agent's Name and City

Debt Service Fund Cash and Temporary Investment Balances at End of Year	<u>\$</u>
Average Annual Debt Service Payment for Remaining Term of all Tax Serviced Debt	<u>\$</u>

* Not Applicable - The District has no outstanding long-term debt as of September 30, 2024.

See accompanying independent auditor's report.

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ANGLETON DRAINAGE DISTRICT

COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND

Last Five Fiscal Years

	Amounts				
	2024	2023	2022	2021	2020
Revenues					
Property taxes	\$ 1,151,527	\$ 1,180,935	\$ 1,298,169	\$ 1,510,921	\$ 1,638,700
Investment earnings	129,158	104,653	21,071	8,496	21,847
Other	14,571	24,522	21,346	15,919	69,629
Total Revenues	1,295,256	1,310,110	1,340,586	1,535,336	1,730,176
Expenditures					
Personnel and related costs	520,542	609,380	704,337	773,857	794,241
Insurance	107,147	113,337	193,053	151,806	134,976
Legal and professional	92,583	69,242	69,260	58,723	52,688
Tax appraisal and collection	11,105	10,834	11,869	13,071	13,954
Drainage maintenance	86,591	122,155	63,444	14,181	49,887
Chemicals	8,805	21,392	17,107	20,507	46,686
Fuel and oil	42,079	40,558	61,885	29,062	26,725
Easements and related costs	1,000	27,002	300	1,600	
Equipment rental	1,776		1,385	529	
Repairs and maintenance	63,810	85,655	64,546	74,620	50,376
Contract services	144,845	53,946	71,776	336,021	144,295
Shop costs	10,028	14,389	13,824	11,340	13,372
Office and administrative	55,502	49,691	59,365	38,902	40,835
Permits and fees	15,135	10,709	12,147	11,780	11,738
Capital outlay	20,435	114,671	5,500	6,250	96,366
Total Expenditures	1,181,383	1,342,961	1,349,798	1,542,249	1,476,139
Revenues Over (Under) Expenditures	\$ 113,873	\$ (32,851)	\$ (9,212)	\$ (6,913)	\$ 254,037

See accompanying independent auditor's report.

Percent of Total Fund Revenues				
2024	2023	2022	2021	2020
88.9 %	90.1 %	96.8 %	98.4 %	94.7 %
10.0	8.0	1.6	0.6	1.3
1.1	1.9	1.6	1.0	4.0
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
40.2	46.5	52.5	50.4	45.9
8.3	8.7	14.4	9.9	7.8
7.1	5.3	5.2	3.8	3.0
0.9	0.8	0.9	0.9	0.8
6.7	9.3	4.7	0.9	2.9
0.7	1.6	1.3	1.3	2.7
3.2	3.1	4.6	1.9	1.5
0.1	2.1		0.1	
0.1		0.1		
4.9	6.5	4.8	4.9	2.9
11.2	4.1	5.4	21.9	8.3
0.8	1.1	1.0	0.7	0.8
4.3	3.8	4.4	2.5	2.4
1.2	0.8	0.9	0.8	0.7
1.6	8.8	0.4	0.4	5.6
<u>91.3</u>	<u>102.5</u>	<u>100.6</u>	<u>100.4</u>	<u>85.3</u>
<u>8.7 %</u>	<u>(2.5) %</u>	<u>(0.6) %</u>	<u>(0.4) %</u>	<u>14.7 %</u>

ANGLETON DRAINAGE DISTRICT

TSI-8

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS

September 30, 2024

District's Mailing Address: Angleton Drainage District
P.O. Box 2469
Angleton, TX 77516-2469

District's Business Telephone Number: (979) 849-2414

Submission Date of most recent District Registration Form
(TWC Sections 36.054 and 49.054) August 13, 2024

Limit on Fees of Office that a Director may receive during a year: \$ 7,200
(Set by Board Resolution - TWC Section 49.0600)

<u>Names</u>	<u>Term or Date Hired</u>	<u>Fees of Office/ Salary/ Consulting Fees</u>	<u>Expense Reimb.</u>	<u>Title at Year-End</u>
<u>Board Members</u>				
David B. Spoor	5/24-5/28	\$ 7,200	\$ 1,422	Chairman
Ronald E. Slate	5/22-5/26	7,200	2,514	Assistant Chairman
Barry A. Coleman	8/24-5/26	1,200		Secretary
<u>Key Administrative Personnel</u>				
Karen Gibson	6/30/93	108,743	869	Manager
<u>Consultants</u>				
Curtis T. Craig, CPA	10/2/17	11,150		Auditor
Laurence E. Boyd	10/1/18	42,459		Attorney
Baker & Lawson, Inc.	7/17/95	38,974		Engineer
Kristin Bulanek Brazoria County Tax Assessor Collector	1/1/21	3,872		Tax Collector

See accompanying independent auditor's report.